

**IBN HALDUN UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MANAGEMENT**

MASTER THESIS

**FACTORS AFFECTING BANK SELECTION IN
EXPORT FINANCING: THE CASE OF TURKEY**

SORAIYA BAHARI

**THESIS SUPERVISOR
ASST. PROF. NİHAT GÜMÜŞ**

İSTANBUL, 2023

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EXPORT FINANCING: THE CASE OF TURKEY**

by

SORAIYA BAHARI

**A thesis submitted to the School of Graduate Studies in partial fulfillment of the requirements for the degree of Master of Arts in
Management**

**THESIS SUPERVISOR
ASST. PROF. NİHAT GÜMÜŞ**

İSTANBUL, 2023

APPROVAL PAGE

This is to certify that we have read this thesis and that in our opinion it is fully adequate, in scope and quality, as a thesis for the degree of Master of Arts in Management.

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This is to confirm that this thesis complies with all the standards set by the School of Graduate Studies of Ibn Haldun University.

Date of Submission

Seal/Signature

ACADEMIC HONESTY ATTESTATION

I hereby declare that all information in this document has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work.

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ÖZ

İHRACAT FİNANSMANINDA BANKA SEÇİMİNİ ETKİLEYEN FAKTÖRLER:
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İhracatçılar, uluslararası ticaret işlemlerini kolaylaştırmak için sıklıkla ticaret finansmanına güvenirlere ve bir banka seçimi, bu işlemlerin başarısını önemli ölçüde derinden etkileyebilir. Bu çalışma, ihracatçıların Türkiye'de bir banka seçerken göz önünde bulundurdıkları kilit faktörleri belirlemeyi hedeflemektedir. Bu amacı gerçekleştirmek için banka seçimine ilişkin önemli kriterlerin çeşitli araştırmalarda sürekli olarak vurgulandığı faktörlerden yola çıkarak kavramsal bir çerçeve geliştirilmiştir. Birincil araştırma aracı olarak beş puanlı Likert ölçeği kullanılmış ve katılımcıların otuz iki değişken üzerindeki anlaşma veya katılmama düzeyleri ölçülmüştür. İstatistiksel analizler, Sosyal Bilimler İçin İstatistiksel Paket (SPSS) ve Microsoft Excel kullanılarak gerçekleştirilmiştir. Bu çalışmanın araştırma örneği toplamda 130 katılımcıyı içermektedir. Veri analizi, birbirleriyle ilişkili değişkenleri daha kapsamlı temel faktörlere dahil etmeyi amaçlayan keşfedici faktör analizi içermiştir. Yanıtları değerlendirmek için temel bileşen analizi, varimax döndürme yöntemiyle kullanılmıştır. Farklı faktör gruplarındaki yanıtların güvenilirliğini değerlendirmek için Cronbach alfa kullanılmıştır. Analiz sonuçları, ihracatçıların banka seçimini etkileyen en önemli üç faktörün güvenlik ve dolandırıcılıkla mücadele önlemleri (ortalama puan 4.60), bankanın yirmi dört yedi müşteri desteği sağlaması (ortalama puan 4.59) ve işlemlerin hızı ile verimliliği (ortalama puan 4.55) olduğunu göstermektedir. Temel bileşen analizi çıkarma yöntemi kullanılarak elde edilen döndürülmüş bileşen matrisi, otuz iki değişkeni etkili bir şekilde beş ana

ilişkili faktör grubuna ayırmıştır; Çeşitli Ürün ve Hizmet Teklifleri, Bilgi Üstünlüğü ve Yüksek Kaliteli Hizmetler, Banka Sınıflandırması, Pazarlama Stratejileri ve Müşteri Sadakati ve Banka İtibarı. Genel olarak, bu çalışma, Türkiye bağlamında ihracatçıların banka seçim süreçlerini etkileyen faktörlere dair önemli bilgiler sunarak, karar verme davranışlarını aydınlatmaktadır.

Anahtar Kelimeler: Bankacılık, Banka Seçim Faktörleri, Ticaret Finansmanı, Türkiye.



ABSTRACT

FACTORS AFFECTING BANK SELECTION IN EXPORT FINANCING: THE CASE OF TURKEY

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Exporters frequently rely on trade finance to facilitate international trade transactions, and the choice of a bank can profoundly impact the success of these transactions significantly. The current research aims to identify essential factors that exporters consider when selecting a bank in Turkey. We developed a conceptual framework to achieve this goal, drawing from consistent factors highlighted in various studies as critical criteria for bank selection. Employing a five-point Likert scale questionnaire as the primary research instrument, participants' agreement or disagreement levels were measured across 32 variables. Statistical analyses were conducted using Statistical Package for the Social Sciences (SPSS) and Microsoft Excel. The research sample for this study encompassed a total of 130 participants. Data analysis involved an exploratory factor analysis, aimed to insert interconnected variables into more comprehensive underlying factors. Principal Component Analysis, employing the varimax rotation method, was utilized to analyze the responses. Internal consistency was assessed through Cronbach's alpha test to ensure reliability across different factor groups. The analysis results indicate that the top three influential factors guiding bank selection among exporters are security and anti-fraud measures, twenty-four-seven customer support, and speed and efficiency of transactions. Utilizing the Principal Component Analysis extraction technique, the rotated component matrix effectively grouped the thirty-two variables into five major

correlated factors: Diverse Product Offerings and Services, Informational Excellence and High-Quality Services, Bank Classification, Marketing Strategies and Customer Loyalty, and Bank Reputation. Overall, this study contributes valuable insights into the decision-making process of bank selection among exporters, shedding light on the factors influencing their choices within the Turkish context.

Keywords: Banking, Bank Selection Factors, Trade Finance, Türkiye.



DEDICATION

To My Family



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Soraiya Bahari
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LIST OF SYMBOLS AND ABBREVIATIONS

ATM	Automated Teller Machine
BRSA	Banking Regulation and Supervision Agency
CGFS	the Committee on the Global Financial System
et al.	And others
EXIM	Export-Import
GDP	Gross Domestic Product
KMO	Kaiser-Meyer-Olkin
KOSGEB	Küçük ve Orta Ölçekli Sanayi Geliştirme ve Destekleme İdaresi Başkanlığı
L/C	Letter of Credit
PCA	Principal Component Analysis
SPSS	Statistical Package for Social Science
TBB	Türkiye Bankalar Birliği
TURKSTAT	Turkish Statistical Institute
U.R.C	Uniform Rules for Collection
WTO	World Trade Organization

CHAPTER I

INTRODUCTION

In global commerce, exporters play a vital role in fostering economic growth and international connections. As trade barriers recede and market opportunities expand, exporters facilitate the exchange of goods, services, and capital across borders, serving as essential conduits for linking nations, cultures, and economies. Exporters often rely on trade finance to navigate this complex landscape, a critical mechanism that enables seamless cross-border transactions. Central to effective trade finance is the selection of an appropriate banking partner. This seemingly straightforward decision holds significant implications for the efficiency and success of international trade. Beyond facilitating transactions, the chosen bank becomes a collaborative partner, influencing cross-border exchanges' timeliness, security, and reliability. Thus, the thoughtful consideration of the selected bank becomes a pivotal determinant of an exporter's overall success and profitability. This introduction lays the foundation for exploring of the crucial interplay between exporters, trade finance, and bank selection. Our study delves into the multifaceted aspects of this relationship, seeking to uncover the key factors that exporters weigh when choosing banking partners for international trade.

1.1. International Trade

International trade encompasses the intricate web of interactions involving exchanging goods, services, and capital across national boundaries, forging strong connections between diverse countries and their economies. This dynamic process fosters collaboration and cooperation as nations engage in a harmonious action of commerce, enriching their markets and propelling global growth. It has been a critical driver of globalization and has dramatically impacted the world economy. A period of increased connectivity and interdependence within the global economy has emerged due to the astonishing increase in the size of global trade over the last decades (Lagarde, 2013).

As the World Trade Organization (WTO) reported, in 2022, global trade in goods increased by 12% to \$25.3 trillion USD, mainly due to the inflated prices of global commodities. The commercial services trade value rose 15% to US\$ 6.8 trillion in 2022. The WTO projects that the volume of world merchandise trade will increase by 1.7% in 2023, followed by a further rise to 3.2% in 2024 (Figure 1.1) (WTO, 2023). Engaging in international trade bestows many favorable outcomes upon a nation's economy. Among these benefits are the bolstering of gross domestic product (GDP), the generation of employment opportunities, the cultivation of innovation, the enhancement of efficiency, broader access to a diverse array of goods and services, and ultimately, the fostering of accelerated economic development (Singh, 2010). The importance of international trade is further highlighted by the growth of the global economy and the increasing interdependence of countries. The globalization of markets and the rise of multinational corporations have made it possible for goods and services to be produced and consumed on a global scale, leading to increased economic integration and the creation of global supply chains (Jones, 1965). Global trade is an essential component of modern economies, and the significant advancements made to date would not have been possible without the gradual reduction of international trade barriers (Berezvai, 2020).

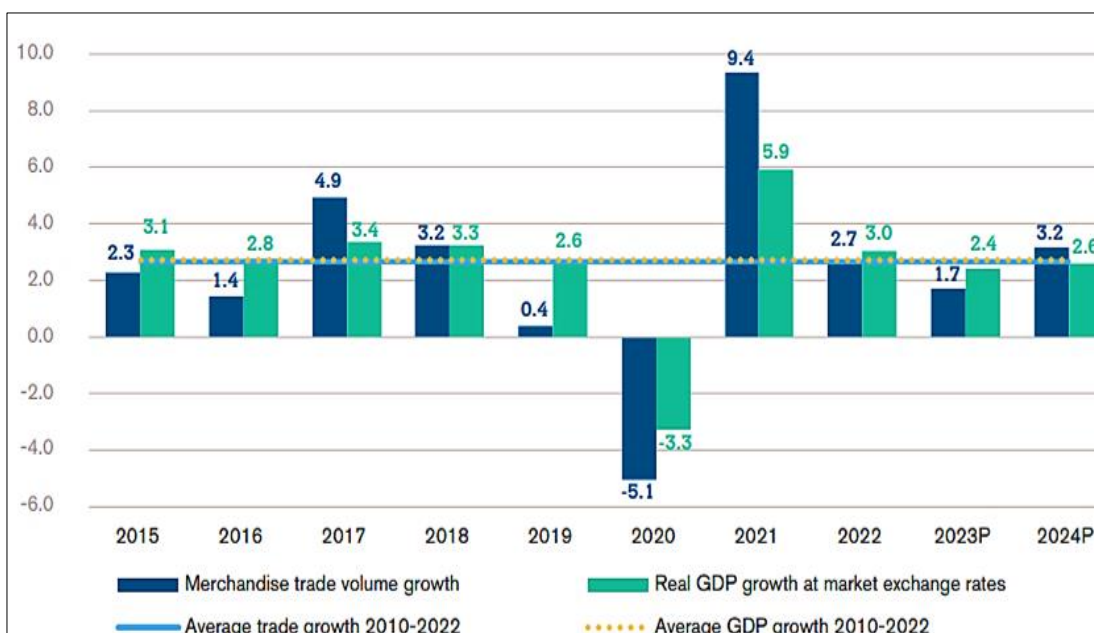


Figure 1.1. GDP Growth and Worldwide Trade in Goods Volume, 2015 to 2024

Source: WTO, Global Trade Outlook and Statistics, 2023

1.1.1. International Trade in Turkey

International trade, which makes it easier to exchange products, services, and capital across national boundaries, is essential to the economic development of countries. In the last few years, Turkey has continuously strived to strengthen its international trade contacts and increase its market reach due to its advantageous position, diverse economy, and ambitious trade policies. This country has emerged as a significant player in the global marketplace, experiencing substantial growth in its international trade activities. Turkey has witnessed remarkable international trade transformations over the past few decades (Karagöz, 2016). Its advantageous geographic position as a connection between Asia and Europe, established strong trade links with various regions. According to the World Trade Organization, Turkey's total merchandise exports and imports have witnessed a consistent upward trajectory in recent years (WTO, 2023). This growth can be attributed to a combination of factors, including liberalization policies, the expansion of manufacturing sectors, and the diversification of export markets (Karagöz, 2016).

Preliminary figures from the Turkish Statistical Institute and the Ministry of Trade show that exports in March 2023 were 23 billion and 595 million dollars, an increase of 4.4% from the same month the previous year., and imports were 31 billion 936 million dollars, up 3.4% (TURKSTAT, 2023).

Automobiles, tractors, transport vehicles, and related equipment made up Turkey's largest exports as of February 2023 and had a significant value of \$2.19 billion. Electrical products and electronics made a substantial contribution of \$1.04 billion, closely followed by machinery, mechanical devices, and components, with an export value of \$1.73 billion. In addition, exports of precious metals and gemstones totaled \$812 million, and the value of knitted apparel accessories contributed \$767 million to Turkey's exports over the same time.

On the other hand, Turkey's main imports in February 2023 totaled \$6.54 billion, primarily petroleum-based fuels, oil from minerals, and related goods. In addition, machinery, mechanical equipment, and components imports totaled \$2.7 billion, while imports of precious stones totaled \$4.08 billion. Additionally, during the

indicated period, \$1.92 billion in electrical machinery and electronics and \$1.97 billion in transport vehicles and associated components were imported (OEC, 2023).

1.1.2. Export in Turkey

According to the Turkish Exporters Assembly records, exports in the last 12 months were 261 billion and 666 million, and the number of exporting companies has exceeded more than 100 thousand. However, most of them are seasonal. The number of companies with a stable monthly export record is around 30 thousand (TIM, 2023). From the point of view of logistics and transportation, Turkey holds substantial advantages for international trade due to its recent growth in links with international markets and advantageous geographic characteristics. Turkey enjoys strategic positioning as a crucial entry point to the markets of European countries, Middle Eastern countries, countries in the North of Africa, and Asia. Additionally, the nation has invested in constructing multi-modal transportation networks that include rail, road, air, and sea, supporting domestic and foreign trade in products and services (Töngür, Türkcan, & Özçelik, 2020). The expansion of the transportation infrastructure lowers the cost of importing the initial supplies and intermediate items necessary for the production and export of final products and services. This element is essential since Turkey's export products primarily rely on many imported inputs (Gündoğdu & Saracoğlu, 2016).



Figure 1.2. Export Unit Value and Volume Indices

In April, there was an 18.1% decline in the overall export volume index compared to the corresponding month of the last year (TURKSTAT, 2023).

1.2. International Trade Finance

Today, economic development is the top priority for nations in almost all developing countries, and increasing exports is one of the primary strategies for economic development. Additionally, industrialized countries are aware of and pay attention to the significance of exports (Griffith & Czinkota, 2012). Governments can significantly support local enterprises' international trade activities through export development programs (Ramaseshan & Soutar, 1996).

Due to the complexity of international trade and business and a lack of technological expertise, the company may not be competitive. As a result, while knowledge and experience are essential for competing in foreign markets, there are numerous obstacles that a company must overcome in order to export its goods (Baursmichmidt, Sullivan, & Gillespie, 1985).

Much evidence supports that financial limitations significantly impede corporate investment and growth. Informational asymmetries and agency issues are just two examples of the causes of the difficulties in obtaining external financing. The investment amount, therefore, largely depends on the internal cash flow of enterprises, given the existence of shortcomings in capital markets. Notably, younger companies frequently experience more severe financial constraints than more established ones, which could cause them to grow slower (Stein, 2003). However, there are three reasons why the reliance on foreign financing for exports may be greater than that of domestic manufacturing. First, some hidden and fixed costs are associated with exporting. These costs include learning about export potential, making investments suited to overseas markets, and setting up distribution networks abroad. Second, compared to domestic transactions, foreign transactions often take longer to complete. Third, many foreign transactions require insurance coverage because they involve higher risks than domestic ones (Chor & Manova, 2012).

At the level of each firm, financial limitations are a significant factor in determining investment choices. Due to the existence of entry-level sunk costs, this significance becomes even more remarkable for small-scale and new businesses that are thinking about becoming exporters. There are at least two reasons why financial constraints

impact how an organization exports; first and foremost, new theoretical frameworks emphasize the importance of financial markets in global trade. These markets give businesses a comparative advantage and help create demand for overseas products. Second, only businesses with adequate liquidity can afford to pay the sunk costs associated with exporting (Bajo-Rubio & Berke, 2018).

As a result, throughout history, governments have offered incentives for exports, either via the creation of institutions like export development banks or EXIM banks or through the implementation of export support programs. Businesses require access to knowledge, information, expertise, and resources to address their challenges. In order to address these needs and support the export process in the face of global competition, export development programs and banking facilities also encourage businesses to set more significant export objectives and build the required infrastructure to support exports (Griffith & Czinkota, 2012).

1.2.1. Banks' Role in Global Trade

Global trade Financing has been a longstanding aspect of international business. Although finance techniques may become standardized, their application can vary from one country to another.

The primary challenges in international trade include foreign exchange issues, a shortage of knowledge regarding overseas customers, the cost of finance, and the regulations surrounding foreign exchange in developing countries. Both importers and exporters can rely on the bank to handle these issues. In particular, the government promotes exports to boost employment and achieve the balance of payments. Finance for international trade may be the most beneficial activity for banks. The banks may make excessive money from foreign currency transactions—one of the banks supporting export and import activities is EXIM Bank. Government financial aid is given as export-import (EXIM) bank funding to facilitate international trade. EXIM Bank mainly aims to finance exports and imports of goods and services by providing guarantees, insurance, and loans to exporters and importers. According to the EXIM Bank of the United States (2021), this type of financing is crucial for small and medium businesses that are trying to expand their

business globally, and they require financial assistance to reduce the risks involved with foreign trade.

As is commonly understood, banks play a crucial role in financing internal trade. However, their significance in financing global trade is much more apparent because of the increased complexity. For instance, exporters may face uncertainties regarding the ability of importers to make payments. Additionally, even if importers possess credit, government-imposed exchange controls make paying the exporter difficult. Furthermore, Importers might doubt the exporter's capacity to fulfill the ordered goods. Even though exporters successfully ship the products, trade obstacles or delays in global shipping can significantly extend the delivery period. Financial directors must be acquainted with all of the possible options for funding foreign trade, enabling them to engage in export or import activities securely (Madura, 2011).

Not all companies have equal reliance on external financial sources, face the same financial constraints, or enjoy equal access to finance and markets. Additionally, the impact of funds transferred from the financial system may vary across different companies. This variation may also extend to the sectors in which these companies operate (Ergeç & Kaytancı, 2021).

1.2.2. Payment Methods in International Trade

Due to the presence of buyers and sellers from other nations, foreign trade payment is distinct from domestic commerce. In international trade, there are significant risks faced by both exporters and importers. The main concern for importers is that, after completing the payment, they would still receive poor-quality products.

However, the most significant risk for exporters is their failure to obtain payment once the items have been delivered. Different payment systems have been developed to protect importers and exporters from these dangers. These payment options can also be used to provide short-term funding for international trade (Altan, 2016). These payment and financing options are thoroughly explained in the sections that follow. In international trade transactions, credit can be extended by various parties,

such as the exporter, importer, or any combination of banking organization entities. When the provider has adequate cash flow, they can cover the whole transaction cost, from the goods' production to the eventual payment by the purchaser. Supplier credit is the name given to this type of credit. There may be instances when the exporter needs additional funds and may seek bank loans to enhance their cash flow. However, if suppliers decide not to provide financing, the purchasers will be responsible for arranging internal or external credit, often through their bank. Thus, banks have an essential role in trade financing for the exporter and the importer in such transactions. Table 1.1. shows different kinds of payment methods.

Table 1.1. Comparison of Payment Methods

Method	Usual Time of Payment	Goods Available to Buyers	Risk to Exporter	Risk to Importer
Prepayment	Before shipment	After payment	None	Relies completely on exporter to ship goods as ordered
Letter of credit	When shipment is made	After payment	Very little or none, depending on credit terms	Assured shipment made, but relies on exporter to ship goods described in documents
Sight draft; documents against payment	On presentation of draft to buyer	After payment	If draft unpaid, must dispose of goods	Same as above unless importer can inspect goods before payment
Time draft; documents against acceptance	On maturity of drafts	Before payment	Relies on buyer to pay drafts	Same as above
Consignment	At time of sale by buyer	Before payment	Allows importer to sell inventory before paying exporter	None; improves cash flow of buyer
Open account	As agreed	Before payment	Relies completely on buyer to pay account as agreed	None

Source: Madura, 2011

Cash in advance is a payment method in which the exporter will deliver the products once the buyer completes the payment. Payments to exporters are typically made through a global wire sent to the exporter's bank account or by using an international bank draft (Madura, 2011). The main characteristics of this method include the

following: It is commonly used for goods with high demand in the market. It serves as a financing technique for exporters. It relies on trust between the exporter and the importer. Due to intense competition, it is not a frequently used payment method in international markets (Altan, 2016).

Cash against products is a payment approach in which the cost of products purchased by the importer is paid later after the goods have reached their destination, as specified in the sales contract. Once the exporters have shipped the goods, the documents are sent directly to the importers or through a bank with delivery conditions. The importer makes the payment for the goods after customs inspections. This payment method offers importers advantages due to the customs control involvement. However, it carries an unpaid risk for the exporter. Therefore, it is typically applied to highly trusted customers.

Cash against documents is a payment method in which the bank releases shipping documents after receiving payment from them, allowing the importer to claim the goods from customs. The regulations governing Cash against documents are established in the Uniform Rules for Collection (U.R.C) (Altan, 2016).

A letter of credit is a document issued by a bank that guarantees the exporter's payment upon compliance with specified conditions and submission of shipping documents. It is a substitute for the buyer's credit, benefiting both parties. The exporter receives payment from the issuing bank upon fulfilling the letter of credit requirements. The bank that issues it is responsible for fulfilling the letter of credit terms, regardless of the purchaser's payment capability.

In contrast, the importer does not need to pay for the products until delivery and the necessary documents are submitted based on agreed conditions. It offers safeguarding for both the exporter and importer, serving as a bank's assurance to cover the expenses of the goods for the exporter. While it is a dependable payment method, it can be costly (Altan, 2016).

The documentary credit process is illustrated in the flowchart presented in Figure 1.3.

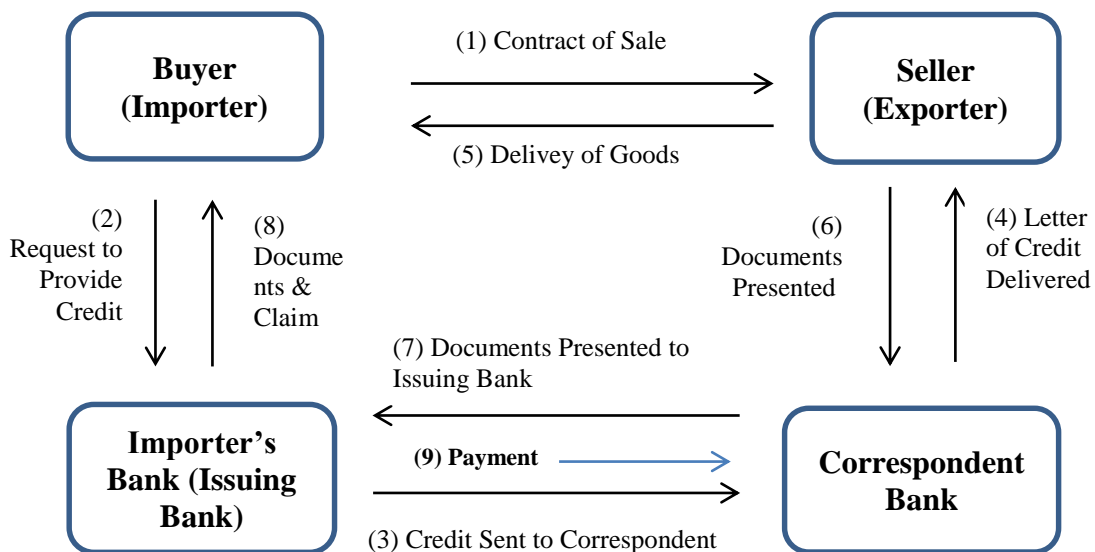


Figure 1.3. The Process of Documentary Credit

Source: Madura, Chapter 19, 2011

Credit acceptance is a payment or credit method associated with a draft. These loans can be utilized by importers or submitted by the importer's bank along with relevant documents. The banks act as intermediaries in this process and charge a commission for their services. In this scenario, the bank accepts the draft or endorses it, providing exporters with a guarantee against importers who opt for forward payments. The key characteristics of credit acceptance include the ability to discount the draft in the secondary market and lower costs compared to other forms of credit (Altan, 2016).

Drafts (Sight/Time): A draft, commonly referred to as a promissory note, is an explicit guarantee made by a single individual, usually the supplier, requiring the purchaser to pay the agreed-upon sum upon presentation. It serves as the exporter's official request to the buyer for payment.

Unlike an L/C, a draft provides less protection to the exporter, as banks are not responsible for paying on the purchaser's behalf. In a time draft configuration, after endorsing (signing) the draft, the exporter instructs the purchaser's financial institution to release the shipping documents when a shipment occurs. Sometimes, this method is called "documents against acceptance." The purchaser must pay the exporter on the designated date by endorsing the draft.

With this transaction, the buyer can purchase the goods without making a payment (Madura, 2011).

Consignment: When shipping the items to the importer under a consignment arrangement, the exporter owns them. Once goods are sold to a third party, the buyer has access to them without having to pay for them immediately. The importer is the one who must pay the exporter for the goods that are sold. However, because no draft is included and the items are sold in advance, the exporter's remedies are limited if the importer delays payment. Consignments are only employed because of the high level of risk involved if a subsidiary or connected company trades with the company that is the headquarters or parent company (Madura, 2011).

Open Account: Unlike a prepayment agreement, where the exporter delivers the products and waits for payment according to predetermined terms, an open account transaction includes immediate payment. In this situation, the exporter entirely depends on the reliability, integrity, and status of the buyer's finances. This strategy is typically used when there is mutual trust and an established relationship between the vendor and the buyer (Madura, 2011), (Altan, 2016).

1.3. Trade Finance in Turkey

The development of exports depends on a nation's foreign trade policies and a robust banking system that facilitates quick, secure, and easy export transactions. The nation's banking infrastructure meets these needs. The banking system develops various payment instruments, including payment against documents, advance payment, customer prefinance, bank guarantees, acceptance credit, and letters of credit. These tools make it easier to conduct reliable, efficient, and fast international trade transactions, which promotes and supports such activity (Altan, 2016).

Kalvan, in his study survey about the role of banks in trade finance of Turkey after the economic crisis in 2008, mentions that trade finance issues also contribute to the decline in exports. It has been noted that banks increased the stringency of eligibility requirements during the crisis due to liquidity difficulties. However, they could have relaxed these criteria even after improving liquidity. As exports are expected to rise

again, expanding the options available for trade finance is crucial. Specifically, there is a critical need to develop export insurance mechanisms, especially when entering new markets (Kalkan, Dündar, & Dinççağ, 2010).

Both governmental and commercial groups provide various credits for exports, financing of exports, and insurance programs to help lessen the risks associated with international trade while promoting it. The payment methods utilized by exporters in Turkey to carry out their transactions, as revealed by data from the Turkish Statistical Institute, are listed below (TURKSTAT, 2023):

- Cash against goods, cash on delivery
- Advanced payment
- Cash against documents
- By acceptance credit
- Advanced letter of credit
- Letter of credit payable at a specified future date
- Without waiver
- Payment type uncertain
- Account of barter
- Private barter
- Letter of credit
- Counter purchase
- Documents with acceptance credit
- Letter of credit with acceptance credit
- Goods with acceptance credit
- Private account

According to data from TURKSTAT, the financing of exports in Turkey primarily relies on cash against products and cash on delivery approach. The volume of exports supported through these approaches has shown an upward trend, increasing from US\$96 million in 2013 to US\$170 million in 2022. On the other hand, the use of documentary payment methods has experienced a decline. The volume of exports supported through this approach was 26 million dollars in 2013 but decreased to US\$22 billion in 2022. In contrast, a letter of credit (L/C) as a trade finance method is rare in Turkey. The volume of exports financed through L/C remained relatively stable at US\$12 million in 2013 and 2022, indicating that this method is not commonly adopted or prevalent among Turkish exporters. Other financing methods are less commonly employed in Turkey for export transactions. Figure 1.4 shows a column chart of standard export payment methods in Turkey from 2013 to 2022. Figure 1.5 shows changes in these payment methods in a line chart from 2013 to 2022, and these charts depict a noticeable distinction between the cash against

products and cash on-delivery approaches compared to other payment methods (TURKSTAT, 2023).

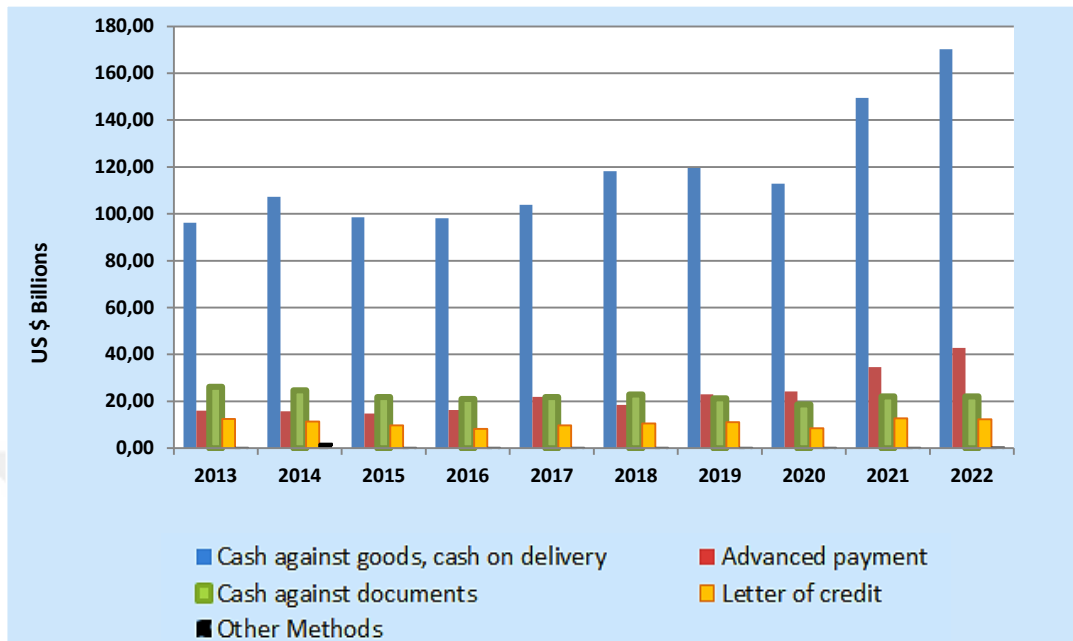


Figure 1.4. Column Chart of Export Transaction Methods in Turkey, 2013-2022

Source: TURKSTAT, Developed by researcher

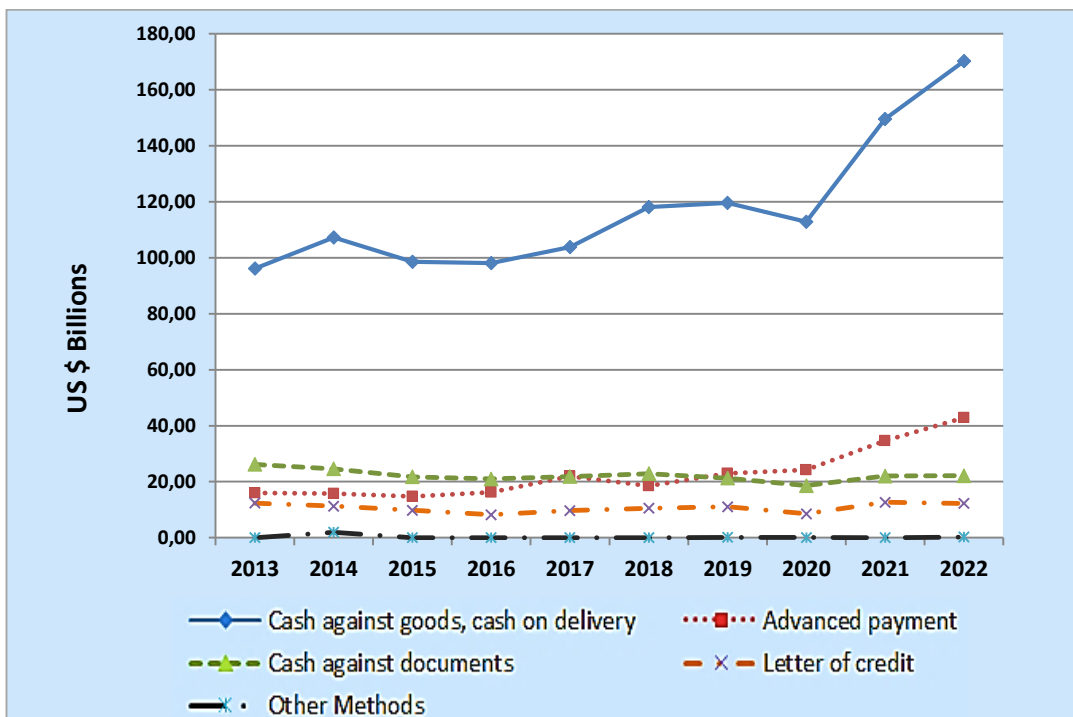


Figure 1.5. Line Chart of Export Transaction Methods in Turkey, 2013-2022

Source: TURKSTAT, Developed by the researcher

1.3.1. Banking Industry in Turkey

Over the years, Turkey's banking sector has undergone substantial transformation, embracing modernization, regulatory reforms, and technological advancements. As a result, it has emerged as a dynamic and competitive industry catering to the diverse needs of individuals, businesses, and investors. The banking industry in Turkey comprises a mix of public and private banks, including domestic and international institutions. The Banking Regulation and Supervision Agency (BRSA) monitors and controls the banking industry. This impartial regulatory authority is essential for maintaining the financial sector's soundness, integrity, and stability. The primary duties of the BRSA are to execute prudential regulations, monitor and assess the financial operations of banks, and protect the interests of customers and depositors. By carefully monitoring the industry, the BRSA promotes a secure environment for economic expansion and development and aids in maintaining public trust in the financial system. Banks owned by the state, private banks, and foreign and participation banks (Islamic banks) are a part of the sector. According to the banks Association of Turkey, some of the prominent players in the sector include Türkiye İş Bankası, Akbank, Yapı & Kredi and Garanti Bank, and Türkiye Cumhuriyeti Ziraat Bankası, among others (Gormez, 2008). Appendix A provides a list of banks in Turkey that have been authorized by the Central Bank of Turkey until April 2023 (TBB, 2023).

1.3.1.1. Exim Bank in Turkey

Turkey's governmental export credit organization, also known as Türk Eximbank, was created in 1987. It is a bank owned by the state that contributes significantly to fostering sustainable exports and international trade. Turkish exporters, contractors, and investors can benefit from credit, guarantee, and insurance services offered by Türk Eximbank. In 238 nations, its export credit insurance shields exporters from economic and political challenges. Türk Eximbank has its main office in İstanbul and branch offices in Ankara and İzmir.

Additionally, it maintains connections in other cities in Turkey, like Konya, Denizli, Kayseri, Gaziantep, Bursa, Adana, and Trabzon. The bank operates in over 60

countries, focusing on developing markets in African and Middle Eastern countries. In addition to financial programs for exporters, manufacturers, and entrepreneurs involved in international markets, Türk Eximbank supports exporters through credit insurance programs. These programs safeguard delayed receivables and help boost export volumes. The bank also discounts export receivables to facilitate entry into new markets by promoting sales with deferred payment terms. Eximbank facilities are mentioned below:

- Short Term Loans
- Loans for Pre-shipment Export
- Program for Short-Term Export Funding to International Trade Businesses
- Foreign Currency for PreExport and Turkish Lira Loan
- Rediscount Loan Program
- Post Shipment Rediscount Loan Program
- Loans for Foreign Currency Earning Service
- Loan Program for Participating in Overseas Trade Fairs

1.4. Bank Selection by Exporters

Banks are vital for maintaining financial stability and facilitating trade in the evolving international trade landscape. Understanding customer behavior and preferences is crucial due to increased competition among banks. Customers now seek out reputable institutions that suit their needs since they are more selective and discerning from the worldwide financial crisis. Retail banks must address these challenges and develop effective marketing strategies to regain trust, surpass expectations, and comprehend consumer behavior to cater to informed customers (Graddy & Spencer, 1990), (Holstius & Kaynak, 1995). By possessing this knowledge, banks can prioritize products and services with the highest value for consumers, ultimately improving customer satisfaction. The banking industry continuously adapts to shifts in customer preferences and requirements, which includes facing heightened competition from non-bank entities within the financial services sector, responding to changing demographic and social conditions, leveraging data technology breakthroughs, fine-tuning channel tactics, and adapting

to state reforms are all crucial considerations (Sayani & Miniaoui, 2013), (Byers & Lederer, 2001).

1.5. Problem Statement

There are many facilities that banks provide for exporters. For instance, the letter of credit is a widely adopted and standardized trade finance method banks provide. It serves as a means to minimize payment risks by establishing an arrangement where a bank takes on the responsibility of making or guaranteeing transactions to a supplier from an importer. However, the data in Figure 1.4 clearly illustrates a need for more enthusiasm among Turkish exporters in utilizing this approach and other financing methods. They prefer to use cash against goods and advanced payment more than other methods. The lack of interest among Turkish exporters in utilizing the letter of credit or other payment methods other than cash against goods and advanced payment raises an intriguing question that requires further investigation. One initial concern is the factors that affect exporters' opinions in selecting a bank. Recently, there has been a growing emphasis and widespread research on bank selection, resulting in lively debates and numerous studies conducted by researchers worldwide. The significance of this subject has garnered widespread attention, as it aims to unravel the complexities and implications associated with deciding to select banks. Given the importance of trade finance, this research study aims to specifically survey the bank selection practices in the group of exporters in Turkey that, with its advantageous position, diverse economy, and ambitious trade policies, holds immense potential for further developing export transactions. The existing literature on bank selection criteria has predominantly focused on the United States and certain European countries, as noted (Denton & Chan, 1991). Although these works provided valuable insights into bank selection, it is crucial to acknowledge that these findings might not be universally appropriate to other nations. This is because different societies, financial markets, and legal frameworks exist in different countries, influencing the significance and relevance of various determinant factors. Hence, conducting separate studies for each country or region becomes necessary to determine the specific factors that impact bank selection within their unique contexts (Rao & Sharma, 2010). To the best of the researcher's understanding, investigations into bank selection criteria have been carried out in both advanced and emerging

economies. However, limited attention has been given to studying the particular preferences of Turkish exporters regarding banking facilities and services.

1.6. Research Objective

Exporters often require trade financing to facilitate their international trade transactions, and the bank selection can significantly influence the efficacy of these transactions. The study examines the factors exporters consider when selecting a bank for trade financing. By analyzing these determinants, the study sought to uncover the reasons behind the uneven distribution of customers among different banks. Additionally, the goal of the current study was to fill an absence in the literature by analyzing the variables that influence Turkish consumers' choice of bank. This study also investigates the criteria that exporters consider when choosing an export financing institution and evaluates whether state banks and other development and investment banks that claim to offer export financing in Turkey are among their selections to fulfill their requirements and preferences. By identifying these key factors, the study aims to provide valuable insights for exporters and banks, enabling banks to develop more effective trade financing products and services and helping exporters make more informed decisions when selecting a bank. Ultimately, this study aims to help facilitate international trade and promote economic growth by improving the efficiency and effectiveness of trade financing services.

1.6.1. General Objective

This research embarks upon a comprehensive investigation into the multifaceted sphere of bank selection among exporters, underpinned by an integrative approach that amalgamates insights derived from extant literature and empirical surveys within the domain. By scrutinizing factors underscored across various scholarly works and research inquiries in the realm of bank selection, this study aims to unravel the complex interplay of determinants that impel exporters' decisions in Turkey when selecting a banking institution for their financial undertakings.

1.7. Research Question

This study has formulated the primary research question as follows: By considering factors that are mentioned in different literatures and surveys conducted by the

researchers in the field of bank selection, what factors affect exporters' decision to select a bank to do their financial transactions in Turkey?

1.8. Research Structure

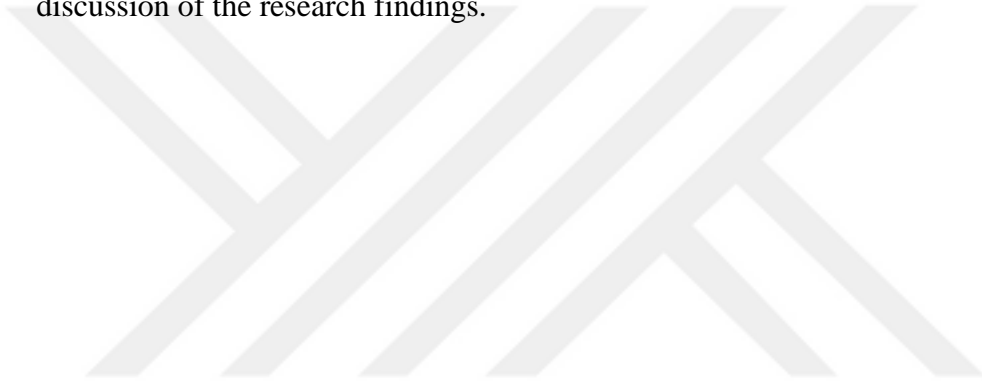
This research structure is outlined as follows:

Chapter 1: Introduction and problem formulation, including research objectives and questions.

Chapter 2: Literature review, encompassing previous studies and relevant research.

Chapters 3 and 4: Study model and research methodology.

Chapter 5: Data analysis and results, along with conclusions, recommendations, and discussion of the research findings.



CHAPTER II

LITERATURE REVIEW

In chapter two, a review of previous studies connected to the current research topic is presented: Some studies are focused on the significance of bank credits and facilities in trade finance. The chapter provides a comprehensive literature review that examines the factors influencing consumer behavior in selecting banks for banking facilities and services. Through an analysis of various empirical studies, relevant variables were identified to enhance the reliability of the theoretical model. The variables adopted for formulating the research objective are discussed, particularly those factors that influence exporters' decisions in selecting banks for their transactions.

The Committee on the Global Financial System (CGFS) researched the connection between banks, trade financing, and economic expansion. The findings revealed that services banks provide, such as export credit insurance, can effectively stimulate trade, even during challenging economic and financial circumstances. This remarkable result can be attributed to various theories explaining the underlying causes (CGFS, 2014).

To begin with, exporters can gain valuable market knowledge and assess importers' creditworthiness through repeated transactions facilitated by export credit insurance and similar services. This learning process allows exporters to navigate new markets effectively. Moreover, Export credit insurance minimizes importers' transaction expenses and boosts their need for commodities provided by importing. By mitigating non-payment risks, insurance simplifies commercial transactions and encourages importers to engage in more trade operations. Lastly, access to insurance improves importers' access to financing from suppliers or banks. This fact indicates the creditworthiness of importers and the strong business practices of exporters, increasing the likelihood of securing favorable financing options. Promoting the development and accessibility of these facilities provided by banks may improve

trade performance and economic growth (CGFS, 2014). In highlighting the significance of trade credit, Coulibaly and his co-workers 2013 found that all businesses in the countries they examined witnessed a decline in exports and economic activity during the crisis. However, the impact could have been more pronounced for businesses that relied on trade credit more frequently. This result demonstrates that trade credit helped mitigate the adverse consequences (Coulibaly, Sapriza, & Zlate, 2013). In another study, Chor and Manova investigated the impact of credit circumstances, specifically transaction credit, on business resilience during the global financial crisis. Their findings indicated that businesses with greater access to trade credit demonstrated higher levels of resilience in their export performance (Chor & Manova, 2012). In conclusion, although the number of studies on this topic is limited, they offer valuable insights into the significance of trade credit in economic activity. These studies suggest that trade credit can serve as a stabilizing factor during times of crisis (Raddatz, 2010).

2.1. Bank Selection Criteria

Hart (1998) highlights that the literature review serves essential purposes such as identifying relevant variables, synthesizing new perspectives, connecting ideas to real-world applications, explaining the topic or problem, emphasizing its significance, understanding the subject's structure, and relating theories to practical applications (Hart, 1998). Scholars from various countries (Naser, Jamal, & Al Khatib, 1999) and (Yilmaz, Arı, & Gürbüz, 2018) have conducted numerous studies to gain insights into consumers' decision-making for selecting banking products and services.

Variables that influence a customer's choice of a particular bank or other institutions that offer trade financing services to exporters can be divided into various categories. Customers' perceptions of these aspects' relative value fluctuate over time and between individuals. In this section, some of the factors that have been the subject of investigation are mentioned. In this section, some factors investigated in previous studies are mentioned. For example, things like the location of the bank, access to ATMs, the availability of mobile and internet banking facilities, and financial factors such as interest rates, fees, and costs related to the products and services provided by

the bank (Yue & Tom, 1994). Terms like "trust and reputation" allude to a customer's belief in the bank's moral character, financial health, and market standing. Because they are seen as more dependable and trustworthy, clients are more prone to choose a bank with an acceptable reputation. Customer service refers to the level of competence and responsiveness displayed by the bank's contact centers, branch employees, and internet help.

Researchers indicate that the factors influencing bank selection include the bank's services and image, which clients consider when choosing a bank. It is crucial to emphasize how clients view various banks and their rivals concerning concepts like joy, satisfaction, cheer, and pleasure that result from banking facilities and offerings. The banking industry may prevent clients from feeling unfavorable feelings like despair, anger, and dishonesty by using strategies to satisfy customers. Due to technical developments like ATMs and online banking, the business is subject to intense competition, raising consumer expectations and driving up demand for financial services (Hinson, Osarenkhoe, & Okoe, 2013).

When selecting a bank from the extensive array of options in the banking industry, exporters choose the one they perceive as most suitable. Customers have their criteria and perspectives for choosing a preferred bank to handle their international trade transactions, and these criteria directly impact exporters' satisfaction. In a study conducted in Turkey in 1991 by Kaynak, it was found that loyal clients in Turkey highly valued helpful bank staff, convenient branch locations, prompt and efficient service, and easy access to credit and financial advice (Kaynak, Kucukemiroglu, & Odabasi, 1991).

Some academicians suggest that convenience is a consideration that clients will consider when choosing a bank (Hinson, Osarenkhoe, & Okoe, 2013). A consumer will find it simpler to complete their transaction at a bank location that is close by, and a bank with an accessible location will have a benefit over its competitors. Contrary to some research, there was no discernible connection between accessibility and bank choice. Others have suggested that the availability of more branch offices or ATMs increases the likelihood of customers choosing a particular bank. These varying findings may be attributed to the regional differences in the research

conducted by (Zineldin, 1996). However, according to distinctive researchers, there is no correlation between client choice of bank and convenience (Ta & Har, 2000). The proximity of a bank to a customer's residence or place of employment has no bearing on that customer's decision to use that bank. These key findings have various outcomes since the study was gathered from different regions, including Asian and non-Asian nations. Last but not least, according to some experts, citizens are more inclined to choose a bank with more ATMs or branch offices nationwide. For a consumer to conduct business or engage with a bank, it is more convenient when there are more branch offices (Katircioglu, Tumer, & Klllnç, 2011).

Studies conducted by (Martenson, 1985) and (Zineldin, 1996) highlighted the influential role of bank location and loan availability in the choice of banks among Swedish consumers. The research findings further revealed that factors such as service quality, credit availability, price, distribution system (including branch locations and ATMs), promotion, reputation, and service distinctiveness were highly valued by Swedish consumers when selecting a bank. Security entails being protected from potential risks and harm (Keaveney, 1995). When selecting a bank, clients typically consider factors such as the bank's brand reputation, transaction security, and financial stability. A bank's reputation is an essential factor influencing a client's decision. The reputation of a bank has more weight than the security and stability it provides. A bank with a better reputation for security has a competitive advantage over a bank with a worse reputation (Zineldin, 1996).

Some researchers say service quality is the crucial factor influencing bank selection. These researchers emphasize that effective customer service is associated with bank preference, while others highlight the impact of transaction speed and staff friendliness. Faster and more efficient transaction speeds can decrease the likelihood of customers switching banks. To cultivate a positive customer perception, banks must prioritize building trust with their customers (LeBlanc & Nguyen, 1988). Researchers such as (Leninkumar, 2017) highlight the significance of trust in fostering strong relationships. In conclusion, (Hinson, Osarenkhoe, & Okoe, 2013) discovered a strong correlation between bank security and clients' decisions to choose a particular bank. Customers are more likely to select a bank when security is more stringent. A bank that exhibits robust security measures fosters customer

confidence and trust. Additionally, satisfied customers act as advocates, spreading positive word-of-mouth and attracting the attention of others. The bank's positive image and favorable public feedback contribute to customers' decision-making process, boosting their confidence in choosing the bank. According to a study by Kaynak and his co-worker, fast and effective service and bank staff friendliness were critical variables in bank selection (Kaynak & Kucukemiroglu, 1992). Similar research was done by the same researchers in a study that focused on Turkish bank selection. In a further study by the same researchers, it was found that younger age groups placed more emphasis on the value of a wide range of services, whereas elderly bank customers preferred convenient bank sites close to their living or working places (Kaynak, Kucukemiroglu, & Odabasi, 1991). Bank Services and Products consist of the variety and kind of goods and services the bank offers, credit cards, loans, and investment choices. Another important consideration is the bank's product selection and quality. Customers will pick a bank if it offers the goods and services that satisfy their financial needs. According to certain researchers, customers' bank selection choices can be attributed to the diversity and excellence of the banks' services. A bank that provides a broad spectrum of services captures the customers' attention during their decision-making phase.

However, Gerrard and Cunningham argue that the presence of a more extensive range of products and facilities only sometimes sway customers' decisions when choosing a bank. However, Gerrard and Cunningham argue that the presence of a more extensive range of products and facilities only sometimes sway customers' decisions when choosing a bank. Because some customers use multiple banks instead of relying solely on one (Gerrard & Cunningham, 1997). Based on Denton's study, multiple bank customers have accounts in more than a few financial institutions (Denton & Chan, 1991). From the customer's standpoint, using different banks might provide extra advantages, like access to a large selection of ATMs and potentially more desirable term conditions on financial loans.

Scholars suggest that service quality is the most significant determinant in a client's choice of a bank. In Australia, (Kemal Avkiran, 1994) utilized a seventeen-term scale to evaluate service excellence. Likewise, in India, researchers have used four dimensions to assess service quality, which they argue have greater discriminatory

validity than the overall service quality scale (Angur, Nataraajan, & Jahera, 1999).

To understand better how people select their banks, (Laroche, Rosenblatt, & Manning, 1986) performed a study in Montreal, Canada, including 140 groups of families. Their survey results show that the friendliness of the staff ranks first in influencing bank choice, followed by operating hours, queue size, location convenience, and staff efficiency (Laroche, Rosenblatt, & Manning, 1986). Financial considerations were discovered to be the primary criteria in clients' decision-making processes in another study conducted by Javalgi and his co-workers in the United States. The study's findings emphasize the importance of money-related issues such as loan availability, interest rates on deposit accounts, and vault security (Javalgi, Armaco, & Hoseini, 1989). The decision-making process was also influenced by additional elements like the bank's reputable standing and its convenient location (Almossawi, 2001). Understanding the nature of customers, which encompasses intangibility, inseparability, heterogeneity, perishability, and ownership, is vital in ensuring customer satisfaction. Each aspect has a distinct perception of service quality, which in turn influences the customer's bank selection process (Clemes, Gan, & Zheng, 2007).

An investigation by Erol and Radi of the bank selection factors used by both traditional and Islamic bank clients was conducted in Jordan. According to the research, aspects including prompt and adequate facilities, the bank's standing and brand reputation, the welcoming nature of bank staff, and the privacy of banking information all received excellent marks (Erol, Kaynak, & Radi, 1990). Similarly, Holstius and Kaynak evaluated Finnish bank clients to determine the significance of support elements in their banking decision-making. The findings showed that rapid, effective service, lower costs for services, friendliness of bank staff, and perceived level of secrecy are the primary considerations for Finnish clients (Holstius & Kaynak, 1995). In 1994, Yue and Tom conducted a study to explore the criteria for the selection of banks of Chinese Americans living in California. The key factors affecting their decision-making process included the effectiveness of services, the bank's brand reputation, applicable fees, accessible places, and interest rates on loans (Yue & Tom, 1994). On the other hand, Tan and Chua looked at how sociocultural and intentional variables affected Singaporeans' banking habits. According to their survey, recommendations from friends and family significantly impacted the banks

they chose (Tan & Chua, 1986). In contrast, Bojei and Che Wel surveyed in Malaysia yielded opposite results, indicating that clients in Malaysia were more inclined to choose banks based on personal considerations, such as convenience, rather than social aspects (Bojei & Che Wel, 2003).

A study was carried out in Kuwait by Edris (1997) to look into how business clients choose their banks. The survey found that corporate clients in Kuwait generally choose conventional banks over Islamic ones after classifying the respondents into Kuwaiti, non-Kuwaiti and combined business entities. They place the most outstanding value on the bank's brand, financial steadiness, and the efficiency and friendliness of its staff (Edris, 1997).

Al-Tamimi et al. surveyed the UAE to explore how customers perceive Islamic and conventional banks and how that perception affects how they bank. The results showed that UAE customers favor Islamic banks over traditional ones. Consumers did, however, have positive perceptions of both kinds of banks, but there was discontent with the level of service. The positive perception of Islamic banks was linked to both service excellence and religious considerations (Al-Tamimi, Lafi, & Uddin, 2016). Four essential elements that affect customers' bank selection were outlined in an investigation by Lympelopoulos et al. (2006). The most essential element is bank service quality, which is vital in deciding which mortgage providers to work with and developing enduring connections. The three other elements are communication, access, and product qualities (Lympelopoulos, Chaniotakis, & Soureli, 2006). Using factor analysis, Hedayatnia and Eshghi investigated the significant criteria for bank selection based on data gathered from approximately 800 clients in Tehran, Iran. The survey results indicated that customer service quality and creativity in providing financial services were the most significant factors. Following closely behind were the efficiency and expertise of employees, ranked second and third, respectively (Hedayatnia & Eshghi, 2011). With advancements in digital solutions, from online banking and mobile apps to advanced analytics and artificial intelligence, technology has become an integral part of banking operations, enabling faster transactions, personalized services, and enhanced security. Technology integration has opened new avenues for innovation and reshaped the landscape of modern banking. Dangolani asserts that technology has a significant impact on how

financial services and banking are provided, enabling a variety of alternative delivery mechanisms, including internet banking and Automatic Teller Machines (ATMs) and diminishing dependence on the network of branches as the primary transfer mechanism (Dangolani, 2011). Khawaja and Manarvi further highlight the significance of ATMs in improving customer engagement and service quality. These technological advancements have streamlined manual record-keeping processes and facilitated efficient customer payment and transaction services (Khawaja & Manarvi, 2009).

According to a study by Tehulu in 2014, the availability of multiple branches, The number of counters, the security of the funds, and the bank's favorable reception were essential. In contrast, others' recommendations, ATM service, speed of bank services, service quality, the outside appearance of the bank and inside organization, safe experience, being close to home or workplace, the presence of plenty of branches, and extended working hours were identified as essential factors in bank selection, so decision-making process was found to be affected by factors such as recommendations from others, the number of counter windows, fund safety, the bank's courteous staff, and reasonable service fees. Banks can enhance their management of customer experiences and satisfaction by adopting Internet banking (Tehulu, 2014).

However, customers need to recognize that this transition may involve some adjustments, learning, and adopting new technology. Personal characteristics are essential, such as the customer's opinions, financial objectives, stage of life, and any interpersonal connections or recommendations they might have with the bank. Clients will also consider any bank fees or costs related to using the bank's goods and services. Customers are more likely to choose banks with fewer charges. Programs and incentives that banks provide to their customers called customer loyalty programs help them draw in and keep more customers. According to earlier research, clients' decisions when choosing banks are influenced by demographic factors like education, culture, religion, and work status. Boyd et al. examined how different retail banks' selection criteria varied based on fundamental demographic parameters. One of the surveys was highlighted by its fascinating results, which show that professional households place a priority on location, reputation, and contemporary

facilities. High-income customers prioritized interest rates, working hours, and staff warmth when choosing a bank, whereas low-income households depended more on positive publicity and word-of-mouth recommendations (Boyd, Leonard, & White, 1994). In a survey conducted by Almosawi, it was found that students in Bahrain considered factors such as image, staff friendliness, and convenience-related criteria as significant determinants when choosing a bank (Almosawi, 2001).

Another survey conducted by Blankson and his co-workers involved graduate participant students from three different nations to investigate potential variations in choosing a bank process based on economic circumstances and cultural context. Findings indicated that convenience ranked as the highest priority among US students, while students in Taiwan and Ghana placed more excellent value on expertise when selecting a bank (Blankson, Ming Sung Cheng, & Spears, 2007).

CHAPTER III

METHODOLOGY AND APPLICATION

The research study's outline was briefly explained in this chapter. It included a range of topics, including study design, methods for gathering data, sampling designs, in-depth explanations of functional constructs, measurement scales, and data analysis techniques. The research design, according to Kothari (2004), is the preplanning of the procedures to be utilized for gathering essential data and the analytic methods to be used, taking into account the study objectives, available resources like staff, time, and financial restrictions (Kothari, 2004).

3.1. Study Design

3.1.1. Descriptive Research

This study work is conducted by descriptive research. Data collection using questionnaires is done through descriptive research. Because it investigates Turkish exporters' bank selection, this study is descriptive. The researchers aim for early data gathering because they must have a thorough understanding of their research before undertaking it.

3.1.2. Quantitative Research

A research that serves the purpose of establishing a correlation between independent and dependent variables is a quantitative study (Kothari, 2004). It entails gathering quantitative data or information that can be tracked over time within the context of marketing. This form of research is categorized into design, measurement, and analytic concerns. Design challenges are explored concerning sampling and various causal inference designs. Measurement-related challenges are addressed by applying different types of measurement validity and reliability. Finally, analysis approaches are utilized to identify the connection between variables in analytic concerns.

3.2. Collection of Data

Primary data refers to data collected firsthand by the researcher or their team, tailored to meet specific research objectives. This data is original and has yet to be previously published or used by other researchers. One method for gathering primary data is designing surveys and questionnaires by researchers to gather information directly from respondents. These tools can be administered in person, over the phone, via mail, or online (Zikmund, 2003). The current survey uses primary data to fulfill the study objectives. The collection of this data was conducted with the specific purpose of uncovering and addressing the research goals set forth for this investigation. The survey is distributed through random and snowball sampling due to the time-consuming and challenging nature of reaching all respondents in various areas of Turkey. Choosing appropriate variables that align with the research objectives is essential in social science research (Jozkowski, 2017). A comprehensive review of previous studies was conducted to identify the relevant factors for study objectives. In the case of this study, the framework was constructed around thirty-two variables of bank selection criteria that have consistently emerged in various studies. These variables are shown in Table 3.1, which were identified as the independent variables.

Table 3.1. Independent Variables in Selecting a Bank

1. Location of the bank	17. Quality and discipline of transactions
2. Global presence	18. Reliability
3. Online and Mobile banking	19. Assurance
4. Number of branches and ATM	20. Empathy
5. Reputation of bank	21. Responsiveness
6. Mass media advertising	22. Range of products and services offered
7. Year of foundation	23. Providing economic information
8. Loyalty	24. Interest rate
9. Speed of Services	25. Credit Insurance
10. 24/7 support	26. Service charges
11. Ease of application	27. Flexible Payment Terms
12. Ease of communication	28. Sharia compliance
13. Financial planning and advisory services	29. Recommendation of others
14. Customized customer service	30. Multiple language services
15. Friendly relationship with bank staff	31. Face-to-face communication
16. Skilled and experienced staff	32. Long-established reputation

3.3. Questionnaire Design

In this research, to collect primary data and determine the key factors influencing exporters' choices of banks in Turkey, a structured questionnaire consisting of 34 questions, including 32 independent variable questions and two control questions, was utilized by relying on a multitude of practical and empirical studies concerning the subject matter. This study considerably uses pertinent earlier work, considering which variables were being studied. The findings might not indicate the general population because it focuses solely on a particular client segment, particularly exporters. Additionally, the survey was only carried out within Turkey's borders, especially Istanbul city, and research participants are Turkish or non-Trish exporters who are making international trade in Turkey. Due to the possibility that the respondents are from other non-Turkish nationalities, the questionnaire was prepared in 4 languages: English, Turkish, Farsi, and Arabic. In this study, the researchers utilized a five-point Likert scale, a commonly employed rating system, to measure participants' levels of agreement or disagreement concerning 32 variables (Table 3.2). This methodological approach enabled a more nuanced and comprehensive understanding of participants' perspectives, contributing to the depth and richness of the research findings (Brown, 2010).

Table 3.2. Five-Point Likert Scale

Term	Strongly Agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Arrangement	5	4	3	2	1

Source: Provided by the researcher of the study

The research instrument, a questionnaire, underwent two levels of testing. In the initial stages, a primary study was carried out with respondents to make sure it was straightforward to use and to address suggestions made by Mokhlis, who emphasized the need for objective and interference-free research instruments and the market for them to allow respondents to offer feedback for improvement and identify any difficulties they may have encountered (Mokhlis, 2009). After the pilot examination, minor modifications improved the questionnaire for data collection. The sample consisted of 130 exporters in Turkey who were considered as respondents for this

research. The questionnaire, which was designed through Google Forms, was distributed through both online platforms and in-person interactions to ensure a diverse and representative sampling among the participants who were active in the field of international trade, especially exports from Turkey, and was distributed among more exporters through the snowball sampling method. The questionnaire is divided into two main sections. The first section, Personal Information, aims to collect the participants' necessary demographic and personal information. It includes essential questions on gender, age, and level of education, and some questions related to participants' company and business and bank type preferences—the second section, 34 inquiries about research variables. The questionnaire used in this study is available in Appendix D.

3.4. Objective of the Study

The central objective of this thesis is to investigate and unravel the diverse factors that impact exporters' decision-making processes in Turkey when it comes to selecting an appropriate bank for their financial endeavors. By meticulously considering the variables identified across various scholarly sources and research inquiries in the domain of bank selection, this study seeks to gain a profound understanding of the intricate interplay of elements that underlie exporters' choices in the dynamic and evolving landscape of international financial transactions.

3.5. Reliability Measurement

In this study, the researcher employed the widely recognized and frequently used Cronbach's alpha coefficient to assess the reliability of the questionnaire used for data collection. Cronbach's alpha is a statistical measure that evaluates the internal consistency of the items within a questionnaire, indicating how well the items in the questionnaire correlate. A positive correlation suggests enduring reliability. Correlation values show response stability across time, with higher values indicating more excellent item reliability. A Cronbach's alpha ≥ 0.60 ensures validity and reliability in human sciences. By conducting a thorough analysis of the questionnaire's reliability using Cronbach's alpha, the researcher took a robust approach to ensure the soundness and credibility of the study's findings, ultimately

enhancing confidence in the research outcomes (Sekaran, 1992). Researchers assert that Cronbach's Alpha reliability values below 0.60 suggest poor reliability. Their study proposes that coefficients between 0.60 and 0.70 indicate fair reliability, while coefficients between 0.70 and 0.80 signify good reliability (Zikmund, 2003). By employing this benchmark, researchers can ascertain the questionnaire's internal consistency and the extent to which the intended constructs or variables of interest are effectively and faithfully represented (Table 3.2)

Table 3.3. Guidelines for Reliability Test

Coefficient of Cronbach's Alpha	Reliability Level
More than 0.9	Excellent
0.8- 0.9	Good
0.7-0.79	Acceptable
0.6-0.69	Questionable
0.5-0.59	Poor
Less than 0.59	Unacceptable

Source: Zikmund et al. (2010)

3.6. Analysis of Pearson Correlation Coefficient

The Pearson correlation coefficient analyzes the relationship between two variables, measuring both the direction and strength of the relationship. The coefficient ranges from -1 to +1, where +1 or -1 indicates a strong relationship. A positive correlation means the two variables increase or decrease together, while a negative correlation means one variable increases while the other decreases (Zikmund, 2003).

Table 3.4. Correlation Coefficient Rules

Strength of Association	Coefficient Range
Very strong	$\pm 0.91 - \pm 1.00$
Strong	$\pm 0.71 - \pm 0.90$
Moderate	$\pm 0.41 - \pm 0.70$
Weak	$\pm 0.21 - \pm 0.40$
Very weak	$\pm 0.00 - \pm 0.20$

Source: Zikmund et al. (2010)

CHAPTER IV

RESULTS AND DISCUSSION

The primary purpose of this research is to investigate the factors that are important in exporters' decision-making when they choose banks for their transactions or export-related services. The study conducted a thorough analysis, focusing on the results from a comprehensive field study involving exporters as bank customers.

This chapter presents a detailed explanation of the study's methodology, which includes statistical descriptions of the variables related to customers' data. It also examines the relationships between the independent variables, studying how they are interconnected and their associations with the dependent variable.

The findings from this study have the potential to provide valuable insights to both banks and researchers, helping them gain a better understanding of customer preferences and decision-making processes in the context of international banking for trade. Furthermore, it may pave the way for improved strategies and services tailored to meet bank customers' needs better.

4.1. Data Analysis

A reliability test was conducted using the existing data to ensure the reliability and accurate assessment of the research variables. The Statistical Package for Social Science (SPSS) version 26 was used to perform the test and obtain the results. Additionally, the Pearson Correlation Coefficient was computed to measure the correlation between the variables. Considering the study's goals, we conducted a type of analysis called exploratory factor analysis. This method helps to group related variables into broader categories or factors. It lets us notice the data more clearly and use the results for further analyses. In this analysis, we looked at how closely each variable is connected to a specific factor using "factor loading." This number between -1.00 and +1.00 tells us how strong the connection is.

Higher values mean a stronger association between the variable and the factor (Ansari, 2019).

We used a technique called Principal Component Analysis (PCA) with varimax rotation to examine the responses. This technique helps us understand patterns among many variables simultaneously, revealing hidden dimensions that might not be obvious but are essential for understanding the data. We also checked the reliability of the results within different groups of factors using Cronbach's alpha. This test helps ensure the consistency of the results within each group. We used PCA with varimax rotation for the exploratory factor analysis to identify meaningful factors that describe the original concept. We only kept variables that had a factor loading of at least 0.50. Because values more significant than this are generally considered necessary according to previous research (Hair, Black, Babin, & Anderson, 2009)

4.2. Empirical Results

4.2.1. Participants' Demographic Information in the Survey

Participants' demographic information is analyzed in descriptive analysis. Table 4.1. shows the demographic profile of the participants based on gender. A total of 130 participants were involved in the present study. Descriptive analyses were conducted to examine several demographic variables. The first variable under examination was gender, comprising 100 male participants, accounting for 76.9% of the sample, and 30 female participants, representing 23.1% of the sample.

Table 4.1. Demographic Profile of the Participants Based on Gender

Gender		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	100	76.9	76.9	76.9
	Female	30	23.1	23.1	100.0
	Total	130	100.0	100.0	

The second demographic variable investigated was age, revealing that 35 respondents (36.9%) were under the age of 30, 43 participants or 33.1% were in the age range of 30 to 39, 39 participants, or 30%, were in the age range of 40 to 50, and 13 participants or 10% were aged above 50 (Table 4.2).

Table 4.2. Demographic Profile of the Participants Based on Age

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 30	35	26.9	26.9	26.9
	30-39	43	33.1	33.1	60.0
	40-50	39	30.0	30.0	90.0
	Over 50	13	10.0	10.0	100.0
	Total	130	100.0	100.0	

In this research, the third demographic variable under consideration was nationality. Among the participants, 86.9% (113 individuals) identified themselves as Turkish, whereas the remaining 13.1% (17 participants) were non-Turkish respondents (Table 4.3). The non-Turkish group comprised participants from diverse backgrounds, including 10 participants from Iran and seven from Chad, Egypt, Palestine, Somalia, Afghanistan, Israel, and Jordan, with one participant from each country.

Table 4.3. Demographic Profile of the Participants Based on Nationality

Nationality		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Turkish	113	86.9	86.9	86.9
	None Turkish	17	13.1	13.1	100.0
	Total	130	100.0	100.0	

The fourth demographic variable tested in this research is education level. Among 130 participants, 28 participants, or 21.5%, were high school diploma holders, 85 participants, or 65.4%, were bachelor's degree graduates, and 17 participants, or 13.1%, were master's degree or higher education graduates (Table 4.4).

Table 4.4. Demographic Profile of the Participants Based on Education

Education		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	28	21.5	21.5	21.5
	Bachelor Degree	85	65.4	65.4	86.9
	Master's Degree or Upper	17	13.1	13.1	100.0
	Total	130	100.0	100.0	

In the initial section of the questionnaire, apart from gathering demographic information, we inquire about various aspects related to the company. These include the company's history and duration of operation in the export sector, the workforce size, the nature of transactions, the specific industry or sector involved in export activities, the annual export value, preferred shipping methods, the types of bank credits utilized to facilitate exports, the current banking institutions used by exporters, as well as any online platforms offered by the bank and participation in the KOSGEB program which is a supporting program for businesses. Distributions of the research sample by this information are presented in the Tables below.

Among the inquiries posed, participants were asked to indicate the length of time their respective companies were operating. As evidenced in Table 4.5, the data reveals that 42 respondents, equivalent to 32.3%, managed start-up enterprises under five years old. Fifty-one individuals, accounting for 39.2%, oversaw companies aged between 5 and 10 years. Furthermore, 23 participants, constituting 17.7%, presided over businesses with a tenure of 10 to 20 years, while 14 respondents, comprising 10.8%, were at the helm of companies exceeding 20 years.

Table 4.5. Distribution Based on the Operation Period of the Company

Company Operation Period					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	42	32.3	32.3	32.3
	5-10 years	51	39.2	39.2	71.5
	10-20 years	23	17.7	17.7	89.2
	Over 20 years	14	10.8	10.8	100.0
	Total	130	100.0	100.0	

The participants were also inquired about their export experience. Out of the total, 66 individuals (50.8%) reported engaging in export activities for under five years. Meanwhile, 40 people (30.8%) had been involved in exporting for 5 to 10 years. Additionally, 23 respondents (17.7%) shared that their companies had a history of export spanning 10 to 20 years, while 6 participants (4.6%) indicated export involvement of over 20 years.

Table 4.6. Distribution Based on Export Business Period

Export Business Period					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	61	46.9	46.9	46.9
	5-10 years	40	30.8	30.8	77.7
	10-20 years	23	17.7	17.7	95.4
	Over 20 years	6	4.6	4.6	100.0
	Total	130	100.0	100.0	

The following question asked participants about the number of employees at their companies. As indicated in Table 4.7, the results revealed that 65 individuals, constituting 50% of the research participants, managed businesses with a staff size ranging from 2 to 10 people. Moreover, 52 respondents (40%) oversaw companies with employee counts between 10 and 50. Furthermore, 10 participants (7.7%) reported workforces of 50 to 250 people, while three individuals (2.3%) stated that their companies employed more than 250 individuals.

Table 4.7. Distribution Based on Number of Workforce

Number of Workforce					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10people	65	50.0	50.0	50.0
	10-50people	52	40.0	40.0	90.0
	50-250people	10	7.7	7.7	97.7
	More than 250people	3	2.3	2.3	100.0
	Total	130	100.0	100.0	

Participants were inquired about their export endeavors, precisely the nature of their activities. These activities were classified into three primary categories: goods, services, and a combination of goods and services. Out of the total, 66 participants (50.8%) were engaged in exporting tangible goods. Meanwhile, 19 individuals (14.6%) provided export services, and 45 participants (34.6%) conducted export operations encompassing goods and services. It is common for businesses that offer products required by customers to fall into this dual category.

Table 4.8. Distribution Based on Type of Export Transactions

Export Type					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Goods	66	50.8	50.8	50.8
	Services	19	14.6	14.6	65.4
	Goods and services	45	34.6	34.6	100.0
	Total	130	100.0	100.0	

The participants shared information about their sector and industry involvement, which was then documented in Table 4.9. This data was organized from the most to the least common responses. Here's a breakdown of their answers: The category of industrial and electronic products attracted 31 individuals, making up 25.6% of the participants. Meanwhile, 27 people (22.3%) were active in textiles, clothing, and

related products. Nineteen participants (15.7%) engaged in consumables and furniture. Similarly, 14 people each (11.6%) were associated with wood and wood products and agricultural and food products. The sector involving services like tourism, consulting, and training accounted for 13 individuals, representing 10.7%. Ten participants (8.3%) were engaged in transportation equipment and cars, while seven (5.8%) pursued handicrafts and art. The exact number seven people (5.8%) were occupied with energy-related products and technologies. In addition, five individuals (4.2%) were active in the broader category of products. Pharmaceuticals and cosmetics attracted 4 participants (3.3%), and metals and precious stones engaged two people (1.7%).

Likewise, two individuals (1.7%) were associated with cinema and photography activities and equipment. Notably, 32 participants (26.4%) opted for an alternative category, suggesting that their specific field of activity was not covered in the predefined options.

Table 4.9. Distribution Based on Industry of Export Activity of Participants

Export Sector	Count	Column N %
Industrial products such as machinery, electronics, and chemicals	31	25.6%
Textiles and apparel, such as clothing, fabrics and leather goods	27	22.3%
Consumer goods such as household appliances, toys, and furniture	19	15.7%
Wood and wood products	14	11.6%
Agricultural products, Processed food and beverages	14	11.6%
Services such as tourism, consulting, and education	13	10.7%
Transportation equipment, automobile, ship, railway, aircraft, and parts thereof	10	8.3%
Hand-made products and works of art	7	5.8%
Energy products such as oil, gas, and renewable energy technologies	7	5.8%
Pharmaceutical, medicine, sanitary and cosmetic	5	4.1%
Precious metals and stones such as gold, diamonds, and silver	4	3.3%
Photographic or cinematographic Musical instruments and their parts	2	1.7%
Other	32	26.4%

The survey included a question about the countries where exporters direct their products. The responses were organized and presented in Table 4.10, ordered from the most to the least common destinations. Of the participants, 101 individuals (78.3% of respondents) reported exporting to EU countries. Additionally, 66 participants (51.2%) engaged in exports to Mediterranean countries, while 59 (45.7%) directed their exports to European countries outside the EU. Furthermore, 43 participants (33.3%) had export links with Asian countries, while 27 participants (20.9%) reported exports to North African countries. Twenty-two participants (17.1%) noted involvement with North America, whereas four respondents (3.1%) had exports reaching South African countries. Similarly, 4 participants (3.1%) conducted exports to South America, and two individuals (1.6%) were engaged in exporting to Australian countries.

Table 4.10. Distribution of Participants Based on Target Country to Export

Target Country		
	Count	Column N %
European Union	101	78.3%
Middle Eastern	66	51.2%
None European Union	59	45.7%
Asian Countries	43	33.3%
North Africa	27	20.9%
North American	22	17.1%
Sub-Saharan Countries	4	3.1%
South American	4	3.1%
Australian Countries	2	1.6%

Table 4.11 shows that companies were categorized into five groups based on their annual export value in US dollars. In the first group, less than \$500,000, there were 55 respondents, which accounted for 42.3%. The second group, ranging from \$500,000 to \$100,000,000, had 43 participants, constituting 33.1%. An annual export value between \$1,000,000 and \$5,000,000 placed 19 individuals (15.6%) in the third group. The fourth group, encompassing export values of \$500,000 to \$10,000,000, comprised 9 participants, equivalent to 6.9%. Lastly, the fifth group consisted of 4 people (3.1%) with an annual export value exceeding \$10,000,000.

Table 4.11. Distribution of Participants Based on the Value of Annual Export

Annual Export Value					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 500,000 USD	55	42.3	42.3	42.3
	500,000 – 1000,000 USD	43	33.1	33.1	75.4
	1000.000- 5,000,000 USD	19	14.6	14.6	90.0
	5,000,000 – 10,000,000 USD	9	6.9	6.9	96.9
	Over 10,000,000 USD	4	3.1	3.1	100.0
	Total	130	100.0	100.0	

The survey included an inquiry about the shipping methods employed by exporters to their target countries, with responses detailed in Table 4.12. Air, sea, land, and rail transportation were the primary shipping methods. Among the participants, 88 individuals (equivalent to 67.7%) indicated employing the land shipping method for their exports. Additionally, 72 respondents (55.4%) reported utilizing the sea shipping method, while 60 people (46.2%) opted for air shipping. Lastly, 4 participants (7.7%) mentioned using rail shipping for their export operations.

Table 4.12. Distribution of Participants Based on Shipment Methods

Shipment Method	Count	Column N %
	Road Transport	88
Sea Freight	72	55.4%
Air Freight	60	46.2%
Rail Transport	10	7.7%

Regarding using bank credits in export, 34 participants (27.4%) rely on commercial loans for their export activities. Similarly, 26 individuals (21%) utilize working capital loans for export purposes. Export insurance was chosen by 22 respondents (17.7%), whereas 20 participants (16.1%) opted for letters of credit. Bank guarantees are favored by ten individuals (8.1%), and a sole respondent (0.8%) employs export credit insurance. Notably, 59 participants (57.6%) abstain from utilizing bank credit for their export endeavors.

Table 4.13. Distribution of Participants Based on Bank Credits They Apply

Bank Credits		
	Count	Column N %
Export trade loans	34	27.4%
Export working capital loan	26	21.0%
Export insurance	22	17.7%
Letters of credit	20	16.1%
Bank guarantees	10	8.1%
Export credit insurance	1	0.8%
I don't use bank credits	59	47.6%

Regarding the type of bank that the participants in the research are currently using for their export activities, a list of active banks in Turkey was prepared, and according to the information shown in Table 4.14, which is sorted from the most to the least, the company distribution The participants were identified. Garanti Bank is at the top of the table with 72 participants, 59%. After that, Zareet Bank with 42 participants, 34.4%, and Ish Bank, with 41 participants, which includes 33.6%, are in the second and third positions, respectively. Regarding the type of bank that the participants in the research are currently using for their export activities, a list of active banks in Turkey was prepared, and according to the information shown in Table 4.14, Garanti Bank is at the top of the table with 72 participants, 59%. After that, Zareet Bank, with 42 participants, 34.4%, and Ish Bank, with 41 participants, which includes 33.6%, are in the second and third positions, respectively.

Table 4.14. Distribution of Participants Based on Types of Banks They Utilize

Bank Type	Count	Column N %
Garanti BBVA	72	59.0%
Ziraat	42	34.4%
İş Bank	41	33.6%
Yapi Kredi Bank	30	24.6%
Halk Bank	21	17.2%
Vakıf Bank	18	14.8%
QNB Bank	13	10.7%
Ak Bank	12	9.8%
Deniz Bank	9	7.4%
Ziraat Katılım	4	3.3%
Vakıf Katılım	3	2.5%
Türk Eximbank	3	2.5%
Türkiye Finans Katılım	1	0.8%
Kuveyt Turk	1	0.8%

KOSGEB (Small and Medium Industry Development Organization) is a Turkish government agency operating under the Ministry of Industry and Technology. It provides diverse support programs and incentives to foster the growth, competitiveness, and development of Turkey's small and medium-sized enterprises (SMEs). Through financial aid, grants, loans, training, consultancy, and technology support, KOSGEB enhances SME capabilities, encourages entrepreneurship, and contributes to Turkey's economic progress. Entrepreneurs and small business owners can utilize KOSGEB initiatives for funding, process improvement, product development, and market expansion. The agency's offerings may evolve in response to changing SME needs and priorities (kosgeb.gov.tr). In the questionnaire, a question was asked about the participants' use of Kosgeb's support programs in Turkey, and the respondents answered it according to Table 4.17. One hundred six people, i.e. 81.5%, declared that they do not use the services of this government program, and 20 participants, 15.4%, stated that they do not know about the Kosgeb program and do not recognize it. Only four people, 3.1% of the participants, have benefited from this program.

Table 4.15. Distribution of Participants Based on Using KOSGEB Program

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	4	3.1	3.1	3.1
	No	106	81.5	81.5	84.6
	I do not know about KOSGEB	20	15.4	15.4	100.0
	Total	130	100.0	100.0	

4.3. Factor Analysis

Factor analysis comprises a set of techniques aimed at elucidating the connections among variables by attributing them to underlying constructs known as factors. From the standpoint of factor analysis, variables are interrelated due to shared yet unobservable, influences. These influences are overarching about the directly observed variables, as they account for the measurement variations. The objectives of factor analysis encompass discerning the count of fundamental effects that underlie a set of variables, quantifying the degree of each variable's connection with the factors,

and gaining insights into the characteristics of these factors by observing their contributions to performance across the variables (Cudeck, 2000).

4.3.1. Descriptive Statistics

Descriptive statistics in factor analysis refer to the basic statistical measures used to summarize and describe the characteristics of the variables involved in the investigation. Descriptive statistics help provide an initial understanding of the data before conducting a factor analysis and aid in interpreting the analysis results. Mean shows the arithmetic average of a set of values. It gives an idea of the central tendency of the data. Standard deviation measures the dispersion or spread of data points around the mean. It indicates how much the values deviate from the average (DeCoster, 1998). Table 4.16 shows the descriptive statistics of this study in which the means are arranged from highest to lowest.

Table 4.16. Descriptive Statistics

	Mean	Std. Deviation	N
Q18: Security and fraud prevention mechanisms	4.60	.618	130
Q10: 24/7 support	4.59	.655	130
Q9: Speed and efficiency of international transactions	4.55	.599	130
Q11: Ease of communication and customer service	4.53	.685	129
Q21: Data security	4.48	.600	130
Q17: Informing customers about recent developments in subsidies and exemptions	4.42	.620	130
Q15: Quality and discipline of bank services	4.42	.703	130
Q25: Service charges and transaction fees	4.38	.698	130
Q2: Physical presence and global network	4.38	.781	130
Q4: Online banking	4.36	.797	130
Q20: Bank's experience and specialty	4.36	.624	129
Q16: Informing customers about recent economic developments	4.35	.701	130
Q19: Track record of supporting exports	4.34	.699	130
Q14: The focus of the bank on international trade	4.32	.694	130
Q13: Customized customer service and assistance	4.31	.692	130
Q27: Flexible payment terms	4.28	.845	130
Q24: interest/profit rate	4.26	.793	130
Q22: Wide range of financial products and services.	4.26	.732	130
Q3: Availability of ATMs	4.25	.890	130
Q26: Credit Insurance	4.22	.726	130

Table 4.16. (cont.)

Q34: Respectful and friendly relationship	4.18	.698	130
Q6: Brand reputation	4.14	.824	130
Q1: Bank location	4.12	.937	130
Q33: Services in multiple languages	4.03	.862	130
Q31: Face to face interactions	3.95	.951	130
Q30: Recommendations of other exporters	3.92	.853	129
Q12: Friendly relationship with bank staff	3.81	.907	130
Q32: Long history in the society and culture	3.79	.921	130
Q23: Being a specialist in export	3.46	1.182	130
Q5: Mass media advertising	3.38	1.094	130
Q8: Loyalty	3.18	1.219	130
Q7: Foundation date	3.12	1.073	129
Q28: Aligning with religious sensitivities	2.58	1.328	130
Q29: Getting services from participating banks	2.54	1.325	130

4.3.2. Reliability Test for Variables

A reliability assessment is conducted to measure the consistency of variables. Consistency pertains to the resilience of questionnaires in generating dependable outcomes over time and under varying circumstances.

In this study, Cronbach's Alpha is employed to quantify the reliability of the test. According to scholars, the optimal range for Cronbach's Alpha falls within 0.75 to 0.90. As indicated in Table 4.18, the reliability outcomes for variables in this investigation surpass the 0.75 threshold of 0.859.

This result demonstrates the dependability of the questionnaire results and their accurate alignment with the research subject (Sekaran, 1992).

Table 4.17 shows that there are some missing values. Listwise deletion means that these cases with missing values in any of the variables used in the analysis are completely excluded or deleted.

Table 4.17. Case Processing to Do Reliability Test

		N	%
Cases	Valid	127	97.7
	Excluded	3	2.3
	Total	130	100.0

a. Listwise deletion based on all variables in the procedure.

Table 4.18. Reliability Statistics, Cronbach's Alpha Test

Cronbach's Alpha	N of Items
.859	34

4.3.3. Normality Test for Variables

In this study, Kolmogorov-Smirnov and Shapiro-Wilk tests are conducted to evaluate the normality of variables. The test results are in Appendix C. Although it is a requirement for factor analysis that the variables need to be normally distributed, referring to the Central Limit Theorem, we continued our analysis (Hair, Black, Babin, & Anderson, 2009).

4.3.4. Correlation Analysis

In this study, Pearson correlation was used to provide information about the linear relationship between two variables, the significance of that relationship, and whether it is statistically different from zero in both directions. This information is essential for making informed interpretations and conclusions about the relationship between the studied variables (Zikmund, 2003). The result of this test is presented in Appendix B.

4.3.5. Testing for Sampling Adequacy

Kaiser- Meyer- Olkin (KMO) measures the sampling adequacy for factor analysis. It assesses whether the data is suitable for factor analysis by evaluating how correlated the variables are. The KMO statistic ranges from 0 to 1, where higher values indicate better suitability for factor analysis. If the KMO value is close to 1, the variables are well-suited for factor analysis (Leech, Barrett, & Morgan, 2015). With KMO at 0.81 (> 0.5) and significant Bartlett's, enough correlations exist for factor analysis. Table 4.20 confirms high KMO and significant Bartlett's.

Table 4.19. Measure of Sampling Adequacy, KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.810
Bartlett's Test of Sphericity	Approx. Chi-Square	1675.782
	df	378
	Sig.	.000

4.3.6. Principal Component Analysis

This section delves into applying Principal Component Analysis (PCA) to our dataset. PCA is a powerful statistical technique utilized to uncover underlying patterns and reduce the dimensionality of high-dimensional data while preserving essential information. By employing PCA, we aim to extract meaningful insights from our dataset and enhance our understanding of the relationships between variables (Hooper, 2012). Table 4.20 presents the results of the PCA, including the principal components and their associated five eigenvalues, with a cumulative variance of 64.893%.

Table 4.20. Results of Principal Component Analysis

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	cumulative %	total	% of variance	cumulative %	total	% of variance	cumulative %
1	6.021	30.104	30.104	6.021	30.104	30.104	3.834	19.172	19.172
2	2.849	14.244	44.347	2.849	14.244	44.347	3.714	18.568	37.739
3	1.758	8.788	53.136	1.758	8.788	53.136	2.025	10.124	47.864
4	1.229	6.147	59.283	1.229	6.147	59.283	1.745	8.727	56.591
5	1.122	5.610	64.893	1.122	5.610	64.893	1.660	8.302	64.893
6	.893	4.467	69.360						
20	.068	.341	100.000						
Extraction Method: Principal Component Analysis.									

4.3.7. Scree Plot Analysis

The scree plot analysis helped us determine the optimal number of principal components to retain. The juncture at which the curve's slope noticeably starts to flatten (resembling an elbow) signifies the appropriate count of factors to be derived from the analysis. As shown in Figure 4.1, an "elbow point" is observed at the fifth component, indicating that retaining components 1, 2, 3, 4, and 5, mentioned in Table 4.20, would adequately preserve the majority of the variance in the data.

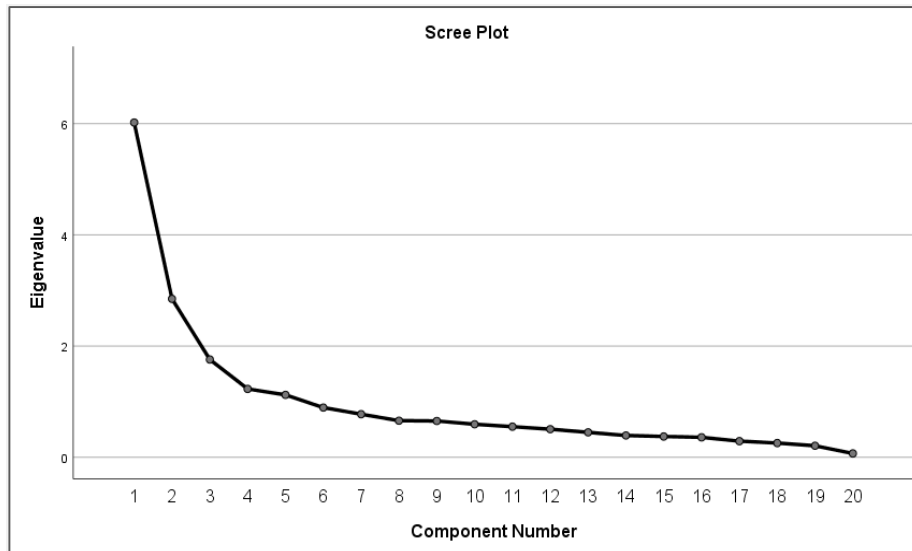


Figure 4.1. Scree Plot

4.3.8. Communalities

Communalities in Principal Component Analysis refer to the proportion of variance in an original variable that is explained by the extracted principal components. They represent the shared contribution of the principal components to each variable. In other words, communalities indicate how well the variance of a variable is captured by the underlying factors identified through PCA (Cudeck, 2000). Communalities for factors are presented in Table 4.21, and numbers are sorted from largest to smallest. This suggests that approximately 91.2% of the variance in the "Q29" that refers to getting services from participation banks is explained by the extracted factors, 91% of the variance in the "Q28" that is aligning the bank with customers religious sensitivities is explained, and 74.4% of the variance in the "Q4", online banking, is accounted for by the identified latent factors and so on.

Table 4.21. Communalities

Communalities		
	Initial	Extraction
Q29: Getting services from participating banks	1.000	.912
Q28: Aligning with religious sensitivities	1.000	.910
Q4: Online banking	1.000	.744
Q16: Informing customers about recent economic developments	1.000	.701
Q8: Loyalty	1.000	.700
Q30: Recommendations of other exporters	1.000	.694

Table 4.21. (cont.)

Q27: Flexible payment terms	1.000	.685
Q13: Customized customer service and assistance	1.000	.679
Q17: Informing customers about recent developments in subsidies and exemptions	1.000	.670
Q18: Security and fraud prevention mechanisms	1.000	.662
Q5: Mass media advertising	1.000	.658
Q14: The focus of the bank on international trade	1.000	.640
Q11: Ease of communication and customer service	1.000	.639
Q15: Quality and discipline of bank services	1.000	.598
Q22: Wide range of financial products and services	1.000	.550
Q19: Track record of supporting exports	1.000	.542
Q32: Long history in the society and culture	1.000	.542
Q9: Speed and efficiency of international transactions	1.000	.493
Q2: Physical presence and global network	1.000	.485
Q25: Service charges and transaction fees	1.000	.476
Extraction Method: Principal Component Analysis.		

4.3.9. Exploratory Factor Analysis

Exploratory factor analysis consists of methods such as principal-components analysis and principal-axes analysis. These approaches have in common that the researcher needs to pre-specify the nature of the latent variables, that is, which items they define. Instead, by determining the number of factors sufficient to explain the intercorrelations among variables, we extract these factors and then interpret factors based on how strongly items reflect or load on these factors. This last procedure often first involves rotating the factors, which serves to rescale the loadings so that high loadings are as close to 1 or -1 as possible and low loadings are as close to 0 as possible (Ansari, 2019) (Cudeck, 2000) (Hooper, 2012). In this study, the rotation method was employed to simplify the factor structure and improve the interpretability of the results. Provide context for the specific rotation method, Varimax with Kaiser Normalization (Kaiser, 1958). We used the rotation method several times to find the best arrangement of hidden factors. We fine-tuned the factor structure through multiple iterations to capture the patterns among the variables. This thorough process helped us choose the most potent and meaningful group of factors, ensuring a detailed exploration and accurate final results. Table 4.22 presents the conclusive outcomes derived from applying Exploratory Factor Analysis. Within the

context of this study, a total of twenty variables, out of the initial thirty-two, were strategically allocated to five distinct factor groups.

Table 4.22. Results of Rotated Component Matrix

		Rotated Component Matrix^a				
Variable No.		Component				
		1	2	3	4	5
	Factor 1: Alternative Products and Services	Factor loading				
1	Q4: Online banking	.849				
2	Q27: Flexible payment terms	.763				
3	Q22: Wide range of financial products and services	.716				
4	Q11: Ease of communication and customer service	.703				
5	Q2: Physical presence and global network	.619				
6	Q18: Security and fraud prevention mechanisms	.528	.477			.327
7	Q19: Track record of supporting exports	.514	.438			
	Factor 2: Information and High-Quality Services					
8	Q16: Informing customers about recent economic developments		.815			
9	Q14: The focus of the bank on international trade		.764			
10	Q17: Informing customers about recent subsidies and exemptions		.756			
11	Q9: Speed and efficiency of international transactions		.649			
12	Q13: Customized customer service and assistance		.615		-.357	.363
13	Q15: Quality and discipline of bank services	.467	.588			
	Factor 3: Bank Institution Type					
14	Q28: Aligning with customers' religious sensitivities			.921		
15	Q29: Getting services from participating banks			.912		
	Factor4: Marketing and Customer Loyalty					
16	Q8: Being loyal to my current bank				.771	
17	Q5: Mass media advertising of a bank				.726	
18	Q25: Service charges and transaction fees	.355	.315		-.471	
	Factor 5: Bank Reputation					
19	Q30: Recommendations of other exporters					.803
20	Q32: Long history in the society and culture					.626
	Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					
	a. Rotation converged in 6 iterations.					

4.3.10. Frame Work of the Study

Based on outcomes obtained through Principal Component Analysis (PCA), an interpretive framework was formulated, as depicted in Figure 4.2. The rotational outcomes yielded the extraction of five discernible factors: "Alternative Products and

Services," "Information and High-Quality Services," "Bank Institution Type," "Marketing and Customer Loyalty," and "Bank's Reputation." This conceptual framework elucidates the intricate interplay among the identified factors and their consequential impact on the decision-making process of exporters when selecting banking institutions. It serves as a navigational guide, affording the capacity to investigate the intricate interrelationships among these pivotal elements systematically.

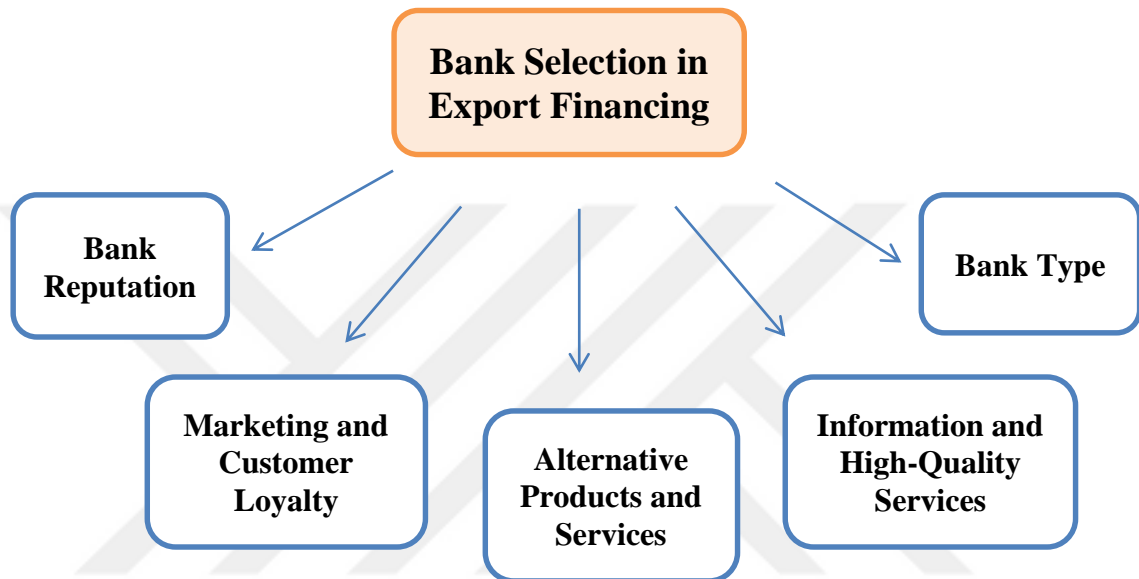


Figure 4.2. Factors That Influence Exporters Bank Selection Decision

4.3.11. Reliability Test of Extracted Factors

After conducting PCA on our dataset, five factors emerged. Cronbach's alpha was employed to quantify internal consistency, ranging from 0 to 1. Higher values of Cronbach's alpha indicate more substantial reliability among factors. It is calculated as the average correlation among items, adjusted for the number of items. We computed Cronbach's alpha for each factor. Table 4.23 shows the results of the reliability test.

Table 4.23. Reliability Statistics, Cronbach's Alpha Test

Reliability Statistics		
Factors	Cronbach's Alpha	N of Items
1. Alternative Products and Services	.855	7
2. Information and High Quality Services	.836	6
3. Bank Type	.940	2
4. Marketing and Customer Loyalty	.531	3
5. Bank Reputation	.567	2

4.4. Association of Extracted Factors and Bank Preferences

A comprehensive analysis was undertaken to examine the association between the extracted latent factors and the bank preferences exercised by the study participants. Specifically, a statistical test was employed to determine the mean values of the identified factors about the choice of a specific banking institution. This analytical approach aimed to clarify the essential factors that held particular significance among individuals who selected a particular bank. In Table 4.24, a pattern regarding factors caught the attention of participants who selected banks. People who chose Ziraat, Vakif, Deniz, and Vakif Ktilim Banks preferred the 'Information and High-Quality Services' factor.

On the other hand, those who selected Halk Bank, Garanti BBVA, Türk Eximbank, and banks offering 'Alternative Products and Services' emphasized this factor—exporters who cared more about the type of bank they chose than other factors favored Kuveyt Turk Bank. Moreover, İş Bank, Yapı Kredi Bank, Ak Bank, Ziraat Katılım, and Türkiye Finans Katılım had customers who valued 'Marketing and Customer Loyalty' more than other factors.

Table 4.24. Association of Factors and Selected Banks

Bank Name	Alternative Products and Services	Information and High-Quality Services	Bank Type	Marketing and Customer Loyalty	Bank Reputation
	Mean	Mean	Mean	Mean	Mean
Ziraat Bank	.11032	.28668	.19748	.02719	.18638
Halk Bank	.34459	-.16010	.20110	-.24867	.45148
Vakıf Bank	.30192	.33544	-.17612	.02157	-.08155
İş Bank	.05950	.02650	.03926	.07191	-.06211
Garanti BBVA	.12912	.04602	-.10384	-.00991	-.16216
Yapı Kredi Bank	-.01701	-.21426	-.07290	.23056	-.16580
Deniz Bank	-.07027	.21385	-.08124	-.17284	-.18952
Ak Bank	-.29057	.01793	-.04185	.27466	.03253
Ziraat Katılım	-.91093	.17204	.39441	.80734	.31617
Vakıf Katılım	-.12327	.77215	-.08997	.52699	.09847
Türkiye Finans Katılım	.84873	.20188	-1.78801	2.19841	1.09151
Türk Eximbank	.82204	.50377	.22217	-.21324	-.80308
Kuveyt Turk	.66226	-.54117	1.67299	.47638	-.72804
QNB Bank	-.05585	-.05823	-.27357	-.29513	-.29931

4.5. Association of Extracted Factors and Export Sector

Table 4. 25 shows the factors that have captured participants' attention when making their bank selections within various export activity sectors. Notably, specific sectors exert a significant influence on participants' decision-making processes. Participants who favored banks associated with 1, 4, 5, and 10 export activity sectors demonstrated a distinct preference for "Alternative Products and Services" factors. This result implies a heightened consideration for product offerings and promotional strategies. Conversely, individuals aligning themselves with banks within sectors 2, 4, 9, and 13 notably emphasized the "Information and High-Quality Services" factor. This result suggests a keen interest in access to comprehensive and relevant data.

Participants engaging with banks from sector 6 showcased a considerable concern for the specific type of bank. This finding highlights the pivotal role that bank categorization plays in shaping their decision-making process. Sectors 3, 8, and 11, alongside their associated "Marketing and Customer Loyalty" factors, emerged as noteworthy

influencers for specific participants. This issue underscores the significance of effective marketing strategies in influencing the decisions of these individuals. Within sectors 8 and 12, the "Bank Reputation" factor took center stage for participants. This result underscores the pivotal impact of a bank's reputation on the decision-making dynamics. The observed findings provide valuable insights into the intricate interplay between distinct factors and participants' bank preferences across diverse export activity sectors. This nuanced understanding contributes to a deeper comprehension of the multifaceted considerations driving bank selection within the context of export-oriented endeavors.

Table 4.25. Association of Factors and Export Sector

Industry or Sector of Export	Alternative Products and Services	Information and High Quality Services	Bank Type	Marketing and Customer Loyalty	Bank's Reputation
	Mean	Mean	Mean	Mean	Mean
Setc1	.44631	-.34879	.03153	.32620	.19036
Setc2	.16571	.21731	-.25953	.05599	.04017
Sect3	-.00974	-.24963	.03554	.28100	.23792
Sect4	.51377	.64785	-.18615	-.22627	.33928
Sect5	.38017	-.13628	-.20315	-.04256	-.45984
Sect6	-.06782	-.02271	.32125	.02717	.11335
Sect7	-.34010	-.45784	-.43045	.06588	-.37931
Sect8	-.12360	-.28150	-.13957	-.07393	.15582
Sect9	.11834	.20053	.51917	-.17117	-.57262
Sect10	.69759	.00763	.37148	.21879	-.55153
Sect11	-.40353	-.60221	.14421	.28075	.14665
Sect12	.19095	.11988	-.13554	-.49990	.36649
Sect13	-.09978	.13360	.10729	-.30990	-.14064
Sect1: Agricultural products, Processed food and beverages Sect2: Industrial products such as machinery, electronics, and chemicals Sect3: Textiles and apparel, such as clothing, fabrics and leather goods Sect4: Energy products such as oil, gas, and renewable energy technologies Sect5: Precious metals and stones such as gold, diamonds, and silver Sect6: Consumer goods such as household appliances, toys, and furniture Sect7: Pharmaceutical, medicine, sanitary and cosmetic Sect8: Transportation equipment, automobile, ship, railway, aircraft, and parts thereof Sect9: Wood and wood products Sect10: Hand-made products and works of art Sect11: Photographic or cinematographic, Musical instruments and their parts Sect12: Services, such as tourism, consulting, and education Sect13: Other					

4.6. Association of Extracted Factors and Export Target Country

Exporters who select specific regions as target countries for export demonstrate distinctive inclinations concerning their banking preferences. Those participants favoring banks linked to European Union countries, South America, and North Africa exhibited a pronounced proclivity for the 'Information and High-Quality Services' factor. This result suggests a heightened significance placed on access to information and services. Contrastingly, participants' exports to non-European Union and Asian countries displayed a marked penchant for the 'Alternative Products and Services' factor. This issue underscores an evident interest in diverse banking offerings and innovative services. Participants whose target country is the North American region indicated a significant preference for the 'Bank Type' category as a pivotal factor guiding their choices. This result highlights the role of bank categorization in shaping decision-making processes within this region. In a notable alignment, participants that export to Middle Eastern countries, sub-Saharan countries, and Australian countries show an overarching emphasis on the 'Marketing and Customer Loyalty' factors. This finding underscores the critical impact of effective marketing strategies and customer loyalty to export to these regions. By deciphering these findings, we gain valuable insights into the intricate interplay between distinct factors and participants' bank preferences across diverse export target regions.

Table 4.26. Mean of Factors for Target Country

Target Country to Export	Alternative Products and Services	Information and High-Quality Services	Bank Type	Marketing and Customer Loyalty	Bank Reputation
	Mean	Mean	Mean	Mean	Mean
European Union	.03717	.07145	-.04833	-.01993	-.05104
None European Union	.10700	.07413	-.15481	.01462	-.12099
North American	-.07839	-.09149	.11525	-.13618	-.13108
South American	.54359	.73330	.54590	.17139	.39445
Asian Countries	.16390	.09758	-.09454	-.14235	.02081
Middle Eastern	-.12696	-.02334	-.12648	.08087	.06388
North Africa	-.09307	.19099	.05237	.15336	-.09103
Sub-Saharan Countries	-.33275	.62030	.63034	.73921	-.00408
Australian Countries	.06709	-.76504	-.03751	.54757	-.87829

4.7. Discussion

This section encompasses a brief of the key findings derived from the research in the preceding chapters and an overview of those results. The previous chapter presents relevant statistics and outcomes, which also shed light on the implications and limitations of the study. Furthermore, suggestions for future studies are provided to ensure a comprehensive understanding of this research, and the conclusion is duly addressed in this chapter as well.

4.7.1. Overview of Statistical Analysis

The main aim of this study was to explore the diverse factors that shape exporters' perspectives on their bank preferences for banking services and transactions within Turkey. Thus, descriptive and inferential analyses were utilized to discern the interconnections between consumers and their banking choices across thirty-two variables sourced from existing literature and prior research studies. Questionnaires were distributed through online platforms and in-person interactions to ensure a diverse and representative sample. The researchers cared to collect valid and reliable responses for further analysis. A total of one hundred and thirty questionnaires were collected among exporters in Turkey.

Two statistical tools were utilized for analysis: SPSS (Statistical Package for the Social Sciences) and Microsoft Excel. These tools allowed the researchers to conduct both descriptive analysis, which provided a summary of the data and its characteristics, and inferential analysis, which enabled them to draw conclusions and make predictions about the population based on the sample data.

Factor analysis results show that the variables examined in this study affect the exporter's decision to choose a bank. Table 4.22 presents the outcomes of a process where related factors were grouped together in a rotated component matrix. The results displayed in this table illustrate five primary categories that might impact a customer's bank selection decision. These categories have been labeled as follows: (1) Alternative Products and Services, (2) Information and High-Quality Services,

(3) Bank Institution Type, (4) Marketing and Customer Loyalty, and (5) Bank Reputation. The first category, "Alternative Products and Services," is comprised of seven variables: online banking (with factor loading F.L. = .849), flexible payment terms and foreign exchange options (F.L. = .763), a wide array of financial products and services (F.L. = .716), accessible communication and customer service (F.L. = .703), physical presence and global network (F.L. = .619), security and fraud prevention mechanisms (F.L. = .528), and a track record of supporting exports (F.L. = .514). The second extracted category, "Information and High-Quality Services," is composed of four vital variables: informing customers about recent economic developments (F.L. = .815), focusing on international trade with skilled staff (F.L. = .764), informing customers about recent subsidies and exemptions (F.L. = .756), and the speed and efficiency of international transactions (F.L. = .649), along with customized customer service and assistance (F.L. = .615) and the quality and discipline of bank services (F.L. = .588). The third factor identified through the analysis is "Bank Institution Type." This factor encompasses two key variables: aligning the bank with customers' religious sensitivities (F.L. = .921) and obtaining services from participating banks (F.L. = .912). The fourth factor emerging from the analysis is referred to as "Marketing and Customer Loyalty," consisting of three variables: loyalty to one's current bank (F.L. = .771), mass media bank advertising (F.L. = .726), and consideration of service charges and transaction fees (F.L. = -.471). The final category, "Bank Reputation," is formed of two variables: recommendations from other exporters (F.L. = .803) and a long-standing history in society and culture (F.L. = .626).

The Mean statistics outcome (Table 4.16) reveals that among the 32 variables, 24 variables have a mean value exceeding 4.00. This result signifies these variables' significant importance for Turkish exporters when choosing a bank for their financial requirements. Among these 24 variables, the aspect that stands out the most for consumers in their bank selection process is the concern for "security and fraud prevention mechanisms." This concern is because the world is moving towards digitization at an indescribable speed, and knowledge and information have spread amazingly worldwide and created significant challenges for organizations responsible for protecting people's personal and vital information. Therefore, credit institutions and banks must make practical solutions and decisions to maintain their

customers' information security. Another important variable that exporters in Turkey consider when choosing a bank is the variables related to customer service, 24/7 support, speed, and efficiency of international transactions. Service speed and efficiency, ease of transactions, and waiting time to receive services are also crucial for customers. It could be explained in this way that in today's business world, which is developing and progressing rapidly, all processes happen very quickly. High speed and ease are essential for financial transactions in the business world. Since the trade between different countries is done with different time zones, the banks that provide services for exporters should be available 24 hours a day, seven days a week, in order to be able to interact with all the destination countries with different working hours and days.

An additional crucial factor for exporters was the significance of the bank's advisory services, which encompassed keeping clients informed about emerging economic trends within the realm of commerce. Engaging with these advisory services within the commercial sector empowers exporters to discern fresh opportunities for engagement and investment. Among the variables, service costs and prices are also essential items that exporters pay attention to when choosing a bank. This issue depends on the nature of business activities because business aims to earn more profit and less cost. Therefore, exporters prefer banks with the lowest fees for services.

Another important variable that customers consider is the location of the bank and its availability. Customers care about the presence of many ATMs throughout the country where they live, and it is also essential to have their desired bank branches in inaccessible places. Today, online platforms and applications have solved many problems of accessing banking services.

The next thing exporters care about is their relationship with bank personnel and employees. They need to have good relations with bank employees. Also, they expect the bank personnel who provide services in the field of export to be specialists and experts in the field of international trade so that they can best carry out the affairs related to export transactions.

Also, a wide range of export-related services is vital for customers because they expect their bank to provide all the services they need about export affairs so that the export process can be done more quickly and efficiently.

Another variable that exists is related to cultural and social factors. In this case, the exporters prefer banks suggested by their partners more than banks they get to know through advertisements. Exporters trust the experience of their colleagues more than other advertising sources. Exporters sometimes consider their religious tendencies in choosing a bank in Turkey. The reason may be that many Muslim exporters do business in Turkey.

The bank's reputation is also one of the factors that exporters consider when choosing a bank. Considering the competitive environment between banks and financial and credit institutions, the more famous banks provide better services, the more successful they will attract customers.

CHAPTER V

CONCLUSIONS

The primary objective of this study is to identify the key factors influencing exporters in Turkey when selecting a bank for their banking services. The research involved a total of 130 respondents. The findings from the descriptive statistics revealed that among the thirty-two variables related to bank selection, the majority exhibited significantly high average values, indicating their utmost importance to consumers. Additionally, several variables displayed above-average mean values, signifying their recognition as essential factors. Within the thirty-two customer service variables examined, social and cultural factors and bank reputation were found to be of the most minor importance, as indicated by the lowest average value.

Furthermore, a factor analysis was conducted, which classified all thirty-two variables into five distinct factors. The first factor encompassed seven variables associated with "Alternative Products and Services," and the second factor involved six variables related to "Information and High-Quality Services," which are the most important factors among others as indicated by the highest average value. The third factor consisted of two variables about "Bank Institution Type" with the most minor importance. The fourth factor, "Marketing and Customer Loyalty," includes three variables. The fifth factor is Bank Reputation, which has two variables. Notably, 12 variables yielded factor loads upper than 0.7 during the factor analysis, signifying their significance in this study's context. These findings underscore these factors' crucial role in influencing exporters' decisions when choosing a bank for their banking needs in Turkey.

5.1. Practical Implications and Study Limitations

The findings of this study have significant practical implications for both banking institutions and consumers. In particular, banks operating in Turkey can capitalize on the insights derived from this research to align their services with consumers'

preferences. Financial institutions can tailor their strategies by understanding the aspects that hold importance for consumers in selecting a bank. This subject may address concerns related to alternative products and services, information and high-quality services, bank institution type, marketing and customer loyalty, and bank reputation. By paying attention to these factors, banks can enhance their appeal and attract more customers to their organization.

On the other hand, consumers can benefit from the knowledge gained through this research. They can become informed about the factors Turkish exporters consider while choosing a bank for their financial requirements. With this understanding, consumers can make more informed decisions regarding their financial preferences and banking needs.

It is worth noting that this research was conducted in Turkey with a sample of 130 respondents. Similar studies with comparable themes could be conducted in other regions worldwide, with larger sample sizes to yield more robust results. Future research in this domain could also employ a broader range of statistical tools and techniques beyond simple statistics like Mean and Standard Deviation. Exploring associations and the impacts of various factors on each other could provide more comprehensive and validated insights. These advanced statistical analyses could further enrich our understanding of the factors influencing bank selection and customer behavior in the financial industry.

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APPENDIXES

APPENDIXE A

Table A.1. List of Banks in Turkey

Deposit Banks	Foreign Banks
State-owned Deposit Banks	Foreign Banks Founded in Türkiye
Türkiye Cumhuriyeti Ziraat Bankası A.Ş.	Alternatifbank A.Ş.
Türkiye Halk Bankası A.Ş.	Arap Türk Bankası A.Ş.
Türkiye Vakıflar Bankası T.A.O.	Bank of China Turkey A.Ş.
Privately-owned Deposit Banks	Burgan Bank A.Ş.
Akbank T.A.Ş.	Citibank A.Ş.
Anadolubank A.Ş.	Denizbank A.Ş.
Fibabanka A.Ş.	Deutsche Bank A.Ş.
Şekerbank T.A.Ş.	HSBC Bank A.Ş.
Turkish Bank A.Ş.	ICBC Turkey Bank A.Ş.
Türk Ekonomi Bankası A.Ş.	ING Bank A.Ş.
Türkiye İş Bankası A.Ş.	MUFG Bank Turkey A.Ş.
Yapı ve Kredi Bankası A.Ş.	Odea Bank A.Ş.
Development and Investment Banks	QNB Finansbank A.Ş.
State-owned Development and Investment Banks	Rabobank A.Ş.
İller Bankası A.Ş.	Turkland Bank A.Ş.
Türk Eximbank	Türkiye Garanti Bankası A.Ş.
Türkiye Kalkınma ve Yatırım Bankası A.Ş.	Foreign Banks Having Branches in Türkiye
Privately-owned Development and Investment Banks	Bank Mellat
Aktif Yatırım Bankası A.Ş.	Habib Bank Limited
D Yatırım Bankası A.Ş.	Intesa Sanpaolo S.p.A.
Destek Yatırım Bankası A.Ş.	JPMorgan Chase Bank N.A.
Diler Yatırım Bankası A.Ş.	Société Générale (SA)
Golden Global Yatırım Bankası A.Ş.	Foreign Development and Investment Banks
GSD Yatırım Bankası A.Ş.	Bank of America Yatırım Bank A.Ş.
İstanbul Takas ve Saklama Bankası A.Ş.	BankPozitif Kredi ve Kalkınma Bankası A.Ş.
Misyon Yatırım Bankası A.Ş.	Pasha Yatırım Bankası A.Ş.
Nurol Yatırım Bankası A.Ş.	Standard Chartered Yatırım Bankası Türk A.Ş.
Q Yatırım Bankası A.Ş.	Banks Under the Deposit Insurance Fund
Tera Yatırım Bankası A.Ş.	Adabank A.Ş.
Türkiye Sınai Kalkınma Bankası A.Ş.	Birleşik Fon Bankası A.Ş.
	Türk Ticaret Bankası A.Ş.

Source: Türkiye Bankalar Birliği (TBB, 2023) www.tbb.org.tr

APPENDIX B

Table B.1. Correlation

	Q 1	Q 2	Q 3	Q 4	Q 5	Q 6	Q 7	Q 8	Q 9	Q 10	Q 11	Q 12	Q 13	Q 14	Q 15	Q 16	Q 17	Q 18	Q 19	Q 20	Q 21	Q 22	Q 23	Q 24	Q 25	Q 26	Q 27	Q 28	Q 29	Q 30	Q 31	Q 32	Q 33	Q 34	
Q 1	Pearson Correlation	1																																	
	Sig. (2-tailed)																																		
Q 2	Pearson Correlation	0.172	1																																
	Sig. (2-tailed)	0.051																																	
Q 3	Pearson Correlation	.291**	.231**	1																															
	Sig. (2-tailed)	0.001	0.008																																
Q 4	Pearson Correlation	.265**	.447**	.212*	1																														
	Sig. (2-tailed)	0.002	0	0.015																															
Q 5	Pearson Correlation	0.169	0.161	0.127	0.162	1																													
	Sig. (2-tailed)	0.055	0.012	0.015	0.065																														

Table B.1. (cont.)

	Sig. (2-tailed)	0.354	0.772	0.642	0.243	0.003	0.507	0.003	0.001	0.842	0.244	0.537	0.805	0.751	0.539	0.938	0.719	0.267	0.155	0.128	0.049	0.026	0.088	0.776	0.714	0.622	0.006	0.008	0	0	0	0				
Q 33	Pearson Correlation	.197	0.086	.182	0.153	0.135	.223	0.164	.238	.238	.201	.196	0.077	.296	.191	.209	.226	.382	.416	.240	.398	.421	.294	0.085	0.107	.225	.423	0.159	0.072	0.087	.286	.191	.301		1	
	Sig. (2-tailed)	0.025	0.331	0.038	0.083	0.124	0.011	0.063	0.006	0.006	0.022	0.026	0.384	0.001	0.029	0.017	0.001	0	0	0.006	0	0	0.001	0.337	0.054	0.001	0	0.072	0.414	0.324	0.001	0.029	0.001			
Q 34	Pearson Correlation	.241	.258	.191	.344	-0.0037	.280	0.128	0.171	.249	0.108	.304	.348	.274	0.14	.257	.191	0.133	.381	.353	.341	.389	.364	0.088	.266	0.066	.322	.324	0.005	0.022	.180	.376	.178	.326	1	
	Sig. (2-tailed)	0.006	0.003	0.029	0	0.674	0.001	0.148	0.052	0.004	0.221	0	0	0.002	0.112	0.003	0.103	0	0	0	0	0	0	0.319	0.002	0.455	0	0	0.958	0.805	0.041	0	0.043	0		

APPENDIX C

Table C.1. Test of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Q1	.260	129	.000	.804	129	.000
Q2	.313	129	.000	.735	129	.000
Q3	.261	129	.000	.762	129	.000
Q4	.270	129	.000	.684	129	.000
Q5	.220	129	.000	.901	129	.000
Q6	.253	129	.000	.809	129	.000
Q7	.213	129	.000	.893	129	.000
Q8	.211	129	.000	.897	129	.000
Q9	.366	129	.000	.687	129	.000
Q10	.382	129	.000	.592	129	.000
Q11	.367	129	.000	.674	129	.000
Q12.	.305	129	.000	.843	129	.000
Q13	.275	129	.000	.778	129	.000
Q14	.262	129	.000	.737	129	.000
Q15	.300	129	.000	.699	129	.000
Q16	.257	129	.000	.688	129	.000
Q17	.306	129	.000	.735	129	.000
Q18	.406	129	.000	.649	129	.000
Q19	.284	129	.000	.768	129	.000
Q20	.279	129	.000	.754	129	.000
Q21	.341	129	.000	.719	129	.000
Q22	.254	129	.000	.768	129	.000
Q23	.320	129	.000	.837	129	.000
Q24	.267	129	.000	.782	129	.000
Q25	.293	129	.000	.742	129	.000
Q26	.277	129	.000	.762	129	.000
Q27.	.262	129	.000	.730	129	.000
Q28	.240	129	.000	.875	129	.000
Q29	.243	129	.000	.870	129	.000
Q30	.265	129	.000	.853	129	.000
Q31	.329	129	.000	.795	129	.000
Q32	.315	129	.000	.835	129	.000
Q33	.284	129	.000	.813	129	.000
Q34	.276	129	.000	.789	129	.000
a. Lilliefors Significance Correction						

APPENDIXE D

Research Questionnaire

Introduction

This questionnaire is a part of a research study being conducted as a requirement for the completion of a master's degree thesis under the title of **Factors Affecting Bank Selection in Export Financing: The Case of Turkey**, at Ibn Haldun University, School of Graduate Studies, Department of Management, Istanbul, Turkey. The study aims to gather information on the relationship between exporters and their bank selection in relation to trade financing in Turkey. To determine the factors that exporters consider to select a bank to do their export transactions, we need your answers as exporter in Turkey. Your participation is crucial for the success of this research project and we would like to express our sincere gratitude to all participants who take the time to complete this questionnaire. All information provided in this questionnaire will be kept confidential, and the data collected will be used solely for research purposes. Please contact us if you have any question.

Researcher: Bahar Bahari

Supervisor: Dr. Nihat Gümüş

Section 1

The following are the demographic questions about you. For some questions you can click more than one option, for such questions click all the options that apply to you.

1. Gender

Female

Male

2. Age

Under 30

30-39

40-50

Over 50

3. Nationality

Turkish

None Turkish

If you are not Turkish please mention your nationality;

4. Education Status

Primary or Secondary School

Diploma

Bachelor Degree

Master Degree or Upper

5. How many years has your company been in operation?

Less than 5 years

5-10 years

10-20 years

Over 20 years

6. How long have you been in Exporting Business?

Less than 5 years

5-10 years

10-20 years

Over 20 years

7. How many people work in your company?

1- 10

10-50

50-250

More than 250

8. Type of export transactions

Goods

Services

Goods and Services

9. Industry or Sector of your export activity:

Agricultural products, Processed food and beverages

Industrial products such as machinery, electronics and chemicals

Textiles and apparel, such as clothing, fabrics and leather goods

Energy products such as oil, gas and renewable energy technologies

Precious metals and stones such as gold, diamonds and silver

Consumer goods such as household appliances, toys, and furniture

Pharmaceutical, medicine, sanitary and cosmetic

Transportation equipment, automobile, ship, railway, aircraft and parts thereof

Wood and wood products

Hand-made products and works of art

Photographic or cinematographic, Musical instruments and their parts

Services, such as tourism, consulting, and education

Other

10. Your Destination or Target Country to Export:

European Union Countries

Non- European Union Countries

North American Countries

South American Countries

Asian Countries

Middle Eastern Countries

North Africa

Sub-Saharan Africa

Australian Countries

11. The Value of export transactions per year

Less than 500,000 USD

500,000 – 1000,000 USD

1000.000- 5,000,000 USD

5,000,000 – 10,000,000 USD

Over 10,000,000 USD

12. What type of shipment do you typically use for your exports?

Air freight

Ocean and Sea freight

Road transport

Rail transport

13. What types of bank credits do you typically apply to support your export business?

Export working capital loans

Export trade loans

Export Insurance

Export credit insurance

Letters of credit

Standby letters of credit

Bank guarantees I do not utilize any bank credits Other (please specify)	
14. Which bank or banks do you currently utilize for your export business and transactions in Turkey?	
Ziraat Bankası	Vakıf Katılım Bankası
Halk Bank	Türkiye Finans Katılım Bankası
Vakıf Bank	Iktisat Bank
İş Bank	Türk Eximbank
Garanti BBVA	Türkiye Kalkınma Bankası
Yapı Kredi Bank	Emlak katılım
Deniz Bank	Kuveyt Turk
Ak Bank	AlBaraka Bank
iraat Katılım Bankası	TEB Bankası
Türk Ekonomi Bankası	QNB Bank
If the name of your bank is not in the list please specify the name of your bank or banks:	
15. Does your bank provide an online platform to conduct export credit process?	
Yes	
No	
16. If your bank provides an online platform how frequently do you use it?	
Never	
Rarely (less than once a month)	
Sometimes (1-3 times a month)	
Often (4-6 times a month)	
Very often (more than 6 times a month)	
17. Have you ever used KOSGEB programs, services and funds?	
Yes	
No	
I do not know about KOSGEB	
18. If yes please specify the service or amount of fund that you get from KOSGEB;	
Section 2	
The following are the statements that may affect your decision to choose a bank to do your export business transactions. Kindly participate in the survey by expressing your degree of agreement with each statement by choosing one of the options presented below.	
Strongly agree , Agree , Neither agree nor disagree, Disagree, Strongly disagree	
1. The location of the bank is important in selecting a bank to carry out my business transactions.	
2. Physical presence and global network of the bank in my company's export destination is important.	
3. When selecting a bank, I look for one with many branches and ATMs throughout the country.	
4. Efficient and convenient online banking and digital platforms provided by the bank are important considerations for my export business.	
5. Mass media advertising of a bank is important for my decision-making process to select a bank.	
6. Bank's brand reputation is affecting in my decision to choose a bank for my exporting needs.	
7. The foundation date and date ranking of bank effect my decision to select a bank.	
8. Being loyal to my current bank is important to me even if other banks provide more services.	
9. Speed and efficiency of international transactions are important to choose a bank.	
10. The ability of the bank to provide support 24/7 is critical for my export business.	
11. The ease of communication and customer service provided by the bank is important for me.	

12. I do not value to maintain a friendly relationship with the individuals working at my bank.
13. The customized customer service and assistance offered by a bank are critical in selecting a bank. (understanding my specific exporting needs by the Bank)
14. When selecting a bank my preference is a bank that focuses on business and exports, and employs skilled and experienced staff.
15. The quality and discipline of bank services is important for my export business.
16. It is important to me that my bank informs me about recent economic developments in international markets.
17. It is important to me that my bank informs me about recent developments in subsidies and exemptions in export sector.
18. It is essential for my export business that my bank provides robust security and fraud prevention mechanisms.
19. Having a good track record of supporting exports and international trade is essential to choose a bank.
20. The bank's experience and specialty in dealing with the exporting industry and financing is essential.
21. The bank's compliance with regulatory requirements and standards like privacy regulations and data security is important for my export business.
22. When selecting a bank for my exporting business, the availability of a wide range of financial products and services (e.g. letters of credit, trade guarantees, export finance, loans, insurance etc.) is a critical factor.
23. The bank's specialty in dealing with the exporting industry and export financing is not concerning to me.
24. When it comes to selecting a bank, the interest / profit rate is a key consideration for me.
25. Service charges and transaction fees are significant factors for me when making a decision about which bank to use.
26. The bank's ability to provide credit insurance is important for me when I want to choose a bank for my expert business.
27. When selecting a bank, I look for ones that offer flexible payment terms and foreign exchange options and services.
28. It is important to me to use a bank that aligns with my religious sensitivities.
29. Because of my religious sensitivities it is important to me get services from participation banks.
30. To choose a bank, recommendations of other exporters at the same industry is more important than hearing about the bank from the other sources.
31. When it comes to choosing a bank, having the ability to meet in person and having face to face interactions with bank personnel is important to me.
32. It is important is to me to do business with a bank that has a long history in our society and culture.
33. Availability of services in multiple languages is crucial for me when I do export transactions.
34. It is important to me to have a respectful and friendly relationship with my bank personnel.

CURRICULUM VITAE

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2020-Present M.A. in Management, Ibn Haldun University

2004-2008 B.Sc. in Biology, Tebriz University, Iran

2011-2014 M.Sc. in Biotechnology, University of Tehran, Iran

Publications:

July, 2019 Journal of Molecular Neuroscience.
<https://doi.org/10.1007/s12031-019-01394-w>

July, 2019 Journal of Molecular Neuroscience.
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Experience

Sep.2020 –Current	Teaching English Language in The American school and Multilanguage Institutes
Nov 2016- Oct 2020	Research Assistant, Laboratory Technician and Medical Office Administrative
Shahid Beheshti University, Iran	at "Comprehensive Genetic Services and Genomic Research Center"
2018	Molecular Genetic Techniques Instructor to Trainees
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